

By Mr. SPENCE:

H. R. 5594. A bill to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad; to the Committee on Banking and Currency.

H. R. 5595. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

H. R. 5596. A bill to amend title IV of the National Housing Act, as amended, and to amend the Federal Home Loan Bank Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. BAILEY:

H. R. 5597. A bill to authorize the Administrator of Veterans' Affairs to sell or lease oil and gas rights in the subsurface of the land on which is situated the Veterans' Administration facility at Clarksburg, W. Va.; to the Committee on Veterans' Affairs.

By Mr. RANKIN:

H. R. 5598. A bill to increase compensation for World War I presumptive service-connected cases, provide minimum ratings for service-connected arrested tuberculosis, increase certain disability and death compensation rates, liberalize requirement for dependency allowances, and redefine the terms "line of duty" and "willful misconduct"; to the Committee on Veterans' Affairs.

By Mr. SUTTON:

H. R. 5599. A bill to repeal so much of the Hatch Act as prohibits certain officers and employees of the Federal and State Governments and members of the armed forces of the United States from taking an active part in political management or in political campaigns; to the Committee on House Administration.

By Mr. WEICHEL:

H. R. 5600. A bill to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and natural resources within such lands and waters and to provide for the use and control of said lands and resources; to the Committee on the Judiciary.

By Mr. WOODRUFF:

H. R. 5601. A bill to authorize the exchange of certain lands of the United States situated in Iosco County, Mich., for lands within the national forests of Michigan, and for other purposes; to the Committee on Agriculture.

By Mr. KEE:

H. R. 5602. A bill to strengthen and encourage the democratic forces in China by authorizing the Secretary of State to provide for the relief of Chinese students in the United States; to the Committee on Foreign Affairs.

By Mr. O'TOOLE:

H. R. 5603. A bill to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes; to the Committee on Education and Labor.

By Mr. RANKIN (by request):

H. R. 5604. A bill to amend section 302 of the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Veterans' Affairs.

By Mr. RHODES:

H. R. 5605. A bill to increase from \$600 to \$1,000 the income-tax exemptions of an individual taxpayer for himself and for his spouse or other first dependent; to the Committee on Ways and Means.

By Mr. RANKIN (by request):

H. R. 5606. A bill to facilitate cooperation of recognized organizations with the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. KEE:

H. R. 5615. A bill to promote the foreign policy of the United States and to authorize participation in a cooperative endeavor for assisting in the development of economically

underdeveloped areas of the world; to the Committee on Foreign Affairs.

By Mr. RAINS:

H. R. 5616. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts:

H. Res. 281. Resolution to authorize the Committee on Interstate and Foreign Commerce to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary; to the Committee on Rules.

By Mr. JACOBS:

H. Con. Res. 102. Concurrent resolution to provide for the attendance of a joint committee to represent the Congress at the eighty-third and final National Encampment of the Grand Army of the Republic; to the Committee on Rules.

H. Con. Res. 103. Concurrent resolution to provide funds for the expenses of the joint committee created pursuant to H. Con. Res. 102; to the Committee on House Administration.

By Mr. PATTEN:

H. Con. Res. 104. Concurrent resolution to seek development of the United Nations into a world federation; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 5607. A bill for the relief of Mrs. Ellen J. Bourke; to the Committee on the Judiciary.

H. R. 5608. A bill to provide for the readmission of Antonia Paride Scavuzzo to United States citizenship; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 5609. A bill authorizing the Secretary of the Interior to issue a patent in fee to B. M. (Bud) Phelps; to the Committee on Public Lands.

H. R. 5610. A bill authorizing the Secretary of the Interior to issue a patent in fee to Emma Phelps Glenn; to the Committee on Public Lands.

H. R. 5611. A bill authorizing the Secretary of the Interior to issue a patent in fee to Charles W. Phelps; to the Committee on Public Lands.

By Mr. PATTEN:

H. R. 5612. A bill for the relief of Mr. and Mrs. Charles R. Proctor; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. R. 5613. A bill for the relief of Boris Batchvaroff; to the Committee on the Judiciary.

By Mr. CARLYLE:

H. R. 5614. A bill for the relief of John S. Downing; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1282. By Mr. NORBLAD: Petition signed by Mrs. D. L. Clemens, of Lafayette, Oreg., and 13 other citizens of Yamhill County, Oreg., urging passage of a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic-beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1283. By the SPEAKER: Petition of Texas Sheep and Goat Raisers Association, Inc.,

San Angelo, Tex., relative to the bill S. 1821, and reaffirming deep interest, and requesting passage of this legislation, which would place mohair under the Wool Labeling Act; to the Committee on Agriculture.

1284. Also, petition of Veterans of Foreign Wars, Austin, Tex., requesting the extension of the period of time during which readjustment allowances may be paid until July 25, 1954, as embraced in H. R. 1374, or under some similar legislation; to the Committee on Veterans' Affairs.

1285. Also, petition of Mrs. Beulah Hand and others, Gainesville, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1286. Also, petition of Mrs. Arthur Clive and others, Orlando, Fla., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1287. Also, petition of J. H. Robert and others, Salina, Kans., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1288. Also, petition of Mrs. Ray Christie and others, Le Sueur, Minn., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1289. Also, petition of Charles W. Olcott and others, Portland, Oreg., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1290. Also, petition of Stella Ayers and others, Salem, Oreg., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1291. Also, petition of Gertrude Randall and others, Seattle, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

1292. Also, petition of Jens Stenegaard and others, Seattle, Wash., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JULY 13, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

Rev. Bernard Braskamp, D. D., pastor of the Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou eternal God, whose blessings are abundantly adequate for all our needs, we pray that we may incarnate the spirit of the Master and seek to preserve the splendor and continuity of His ideals and principles as we try to build a nobler civilization.

We humbly confess that, in our struggles to surmount the obstacles which confront us in this high adventure, we so frequently place our confidence solely in human calculations and human ingenuity instead of appropriating by faith the spiritual resources which Thou hast placed at our disposal.

Grant that our own beloved country may be in the vanguard of the nations

of the earth praying and laboring for peace among men; a peace inspired and maintained by the spirit of good will and brotherhood; a peace that shall be the joyous possession of our own and all succeeding generations.

To Thy name we ascribe the praise. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 12, 1949, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Holland	Mundt
Baldwin	Humphrey	Murray
Bridges	Hunt	Myers
Butler	Ives	Neely
Cain	Jenner	O'Connor
Capehart	Johnson, Colo.	Pepper
Chapman	Johnson, Tex.	Reed
Chavez	Johnston, S. C.	Robertson
Connally	Kefauver	Russell
Cordon	Kerr	Saltonstall
Donnell	Kilgore	Schoeppel
Douglas	Knowland	Smith, Maine
Dulles	Langer	Smith, N. J.
Eastland	Lodge	Sparkman
Eaton	Lucas	Stennis
Ferguson	McCarran	Taft
Flanders	McCarthy	Taylor
Frear	McClellan	Thomas, Utah
Fulbright	McFarland	Thye
George	McGrath	Tobey
Gillette	McKellar	Tydings
Graham	McMahon	Vandenberg
Green	Malone	Watkins
Hayden	Martin	Wherry
Hendrickson	Maybank	Wiley
Hickenlooper	Millikin	Williams
Hill	Morse	Withers
Hoey		Young

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Idaho [Mr. MILLER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Oklahoma [Mr. THOMAS] are detained on official business in meetings of committees of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent by leave of the Senate on official business, having been appointed an adviser to the delegation of the United States of America to the Second World Health Organization Assembly meeting at Rome, Italy.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER] is necessarily absent.

The Senator from Maine [Mr. BREWSTER] is detained on official business.

The Senator from South Dakota [Mr. GURNEY] is detained because of attendance at a meeting of the Committee on Appropriations.

The VICE PRESIDENT. A quorum is present.

THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. LUCAS. Mr. President, I should like to have the attention of the distinguished Senator from Nebraska [Mr. WHERRY], the able minority leader, in order to find out if possible the number of speeches that are yet to be made, if the Senator knows, upon the Atlantic Pact, by Senators on the Republican side of the aisle. My purpose is to try to ascertain or determine if we can at this time, about how long it will require to dispose of this very important treaty.

Mr. WHERRY. Mr. President, cooperating with the distinguished majority leader, I may state to the Members of the Senate that at least five speakers would like to be heard today, and an equal number on Thursday. Up to this moment only one or two Senators have suggested that they would like to be heard on Friday. Whether more Senators will request to be heard on Friday, I do not know. One or two Senators on the other side of the aisle have asked how many Senators on this side of the aisle expect to speak on the pact, and when they, the Democratic Senators, may have an opportunity to speak. So, my judgment is that debate on the treaty will continue until and including Friday. I cannot tell the distinguished Senator from Illinois what might happen after that. But as the situation now is, even though the Senate remains in session until 6 o'clock—and the Senate continued in session later than 6 o'clock yesterday—I would say it would be impossible to conclude the debate prior to late Saturday evening, if debate can be concluded even by that time.

Mr. LUCAS. May I inquire of the distinguished minority leader whether he believes there is any possibility of obtaining at this time a unanimous-consent agreement, let us say, to vote on the pact around 5 o'clock on Friday?

Mr. WHERRY. Mr. President, I am quite sure it would be useless to present a unanimous-consent request now to vote on Friday. If the Senator were to make his request at a later date it might be acceptable to the Senate. I suggest to the majority leader that if he feels a unanimous-consent agreement should be entered into now, he attempt to secure a unanimous-consent agreement that a vote be taken not earlier than Monday.

I will say further to the distinguished majority leader that I would be glad to cooperate with him to such purpose. I am just as anxious as he is that a unanimous-consent agreement be had. If the Senator from Illinois feels that he should make a request that a vote be taken on the treaty even as early as Saturday, or on Monday, I would be glad to have him make it, and we could thus ascertain what are the wishes of the Members of the Senate.

Mr. LUCAS. Mr. President, I would rather not make the unanimous-consent

request at this time if the Senate is going to continue the debate until Saturday or Monday. I think it would perhaps be better to wait another day before I make a unanimous-consent request.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. ROBERTSON. If it is the plan that Congress not stay in session beyond Labor Day, I wish to invite the attention of the majority leader to the fact that we have yet to act upon very important appropriation bills, including the foreign-aid bill. Under those circumstances I ask the majority leader if he thinks that if debate on a given measure proceeds further than was anticipated it would not be the part of wisdom for us to begin meeting on Saturdays so we can dispatch the necessary business between now and Labor Day?

Mr. LUCAS. Mr. President, I was about to make a brief comment with regard to holding sessions a little later than we have been doing on the pact, and perhaps holding a session next Saturday. It seems to me that we ought to dispose of the pact by that time. However, as I have said before, I am not in anywise attempting to control the time of any Member who desires to debate this controversial issue before the Senate.

There is now on the calendar a great amount of important legislation. Obviously I should like to dispose of it with as much expedition as possible. However, I shall not press any of this legislation to an early conclusion. So far as I am concerned, it is all right with me if we remain here even past Labor Day, I may say to my good friend from Virginia. I think everyone likes Washington during the summer months. We have a cool, convenient Chamber in which to meet. It is a cozy spot where everyone likes to gather, apparently. If we remain here later than Labor Day, I am sure it will be agreeable to all concerned.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Let me say to the distinguished majority leader that if in his wisdom he feels that Saturday sessions are necessary, I am perfectly agreeable, and will be glad to cooperate in every way.

Mr. LUCAS. I thank the distinguished Senator from Nebraska. The primary reason for suggesting Saturday sessions is that the appropriation bills are exceedingly important. I do not make the suggestion because I want to try to rush a vote upon the pending measure.

Mr. WHERRY. I understand.

TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that, as in legislative session, Senators be permitted to introduce bills and resolutions, and incorporate matters in the Appendix of the Record, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

REPEAL OF LAWS INHIBITING FREE TRADE IN GOLD IN OPEN MARKET—JOINT RESOLUTION OF NEVADA LEGISLATURE

Mr. McCARRAN. Mr. President, I present for appropriate reference and printing in the RECORD a joint resolution of the Legislature of Nevada, favoring the enactment of legislation to repeal laws inhibiting free trade in gold in the open market.

The joint resolution was referred to the Committee on Banking and Currency, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Resolution No. 5

Joint resolution memorializing the Congress of the United States to repeal all laws inhibiting free trade in gold in the open market

Whereas the Congress of the United States has enacted laws restricting free trade in gold produced in the United States, its Territories and possessions, and compelling that all such gold be sold only to the Government of the United States at a price fixed by statute at \$35 per fine ounce; and

Whereas the aforesaid fixed price was established in 1934 at a time when both labor and materials were readily obtainable at a reasonable price; and

Whereas wage costs and material costs have more than doubled since 1934 and no longer can be met by gold producers in the State of Nevada; and

Whereas gold mining is a major industry in the State of Nevada and has, in the past, enabled the development of lead, copper, zinc, and silver properties which were of inestimable value to the Nation during World War II; and

Whereas the restrictions and inhibitions on free trade in gold coupled with the arbitrary and unreasonable fixed price on gold, have compelled the closing and abandonment of gold mines in the State of Nevada, resulting in unemployment and hardship for the people of Nevada and drastically affecting the economic and tax structure of the State of Nevada; and

Whereas there is pending before the Congress of the United States proposed legislation to permit free trade in gold in the open market within the United States, its Territories and possessions, and to permit gold to be exported without the imposition of duties, excise taxes, or licenses, permits, or any restrictions whatsoever; and

Whereas the enactment of such legislation will be of inestimable benefit to the people of the State of Nevada: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, That the Congress of the United States be and it is hereby memorialized to enact Senate bill 13, Eighty-first Congress, first session, or similar legislation repealing all restrictions on trade in gold and permitting gold to be freely bought, held, sold, or traded in the open market, and permitting gold to be exported without duties, taxes, licenses, permits, or any restrictions whatsoever; and be it further

Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President and Vice President of the United States, and to each Senator and Representative of the State of Nevada in the Congress of the United States.

CLIFF JONES,
President of the Senate.
C. A. CARLSON, Jr.,
Secretary of the Senate.
PETER BURKE,
Speaker of the Assembly.
NATHAN T. HURST,
Chief Clerk of the Assembly.

Approved March 29, 1949.

VAIL PITTMAN,
Governor.

CONSTRUCTION OF PRECIOUS AND RARE METALS STATION AT RENO, NEV.—JOINT RESOLUTION OF NEVADA LEGISLATURE

Mr. McCARRAN. Mr. President, I present for appropriate reference and printing in the RECORD a joint resolution of the Legislature of Nevada, favoring the enactment of legislation providing funds for the erection and operation of a new precious and rare metals station of the United States Bureau of Mines, in Reno, Nev.

The joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 10

Joint resolution memorializing the Congress of the United States to appropriate funds for the erection and operation of a new precious and rare metals station of the United States Bureau of Mines, in Reno, Nev.

Whereas the precious and rare metals station of the United States Bureau of Mines located on the campus of the University of Nevada in Reno, Nev., has for many years rendered invaluable service to the mining industry and to the country at large in solving problems of metallurgy through extensive research in precious and rare minerals; and

Whereas the existing United States Bureau of Mines precious and rare metals station has been housed on the campus of the University of Nevada for 30 years in a building supplied by the university; and

Whereas the University of Nevada is in great and pressing need of the university building occupied by the precious and rare metals station that it may take care of the ever-increasing enrollments in the Mackay School of Mines of the university; and

Whereas the present headquarters of the precious and rare metals station on the campus are inadequate to meet current and growing requirements and for proper laboratory space, and are further inadequate for the engineers and staff of the bureau, and which requires much of the equipment of the mining branch of the Bureau to be placed in storage; and

Whereas the geophysical workers of the United States Bureau of Mines have for years been located in a university building also needed by the Mackay School of Mines and which moreover is inadequate for the purposes of the Bureau; and

Whereas the University of Nevada has deeded to the Government of the United States a tract of land of about 2 acres located on the campus of the University of Nevada, said tract to be used for the site of a building sufficient to house the precious and rare metals station and various other branches of the United States Bureau of Mines now located in Reno; and

Whereas there is pending in the Congress of the United States H. R. 2386, introduced by Representative BARNING, which directs the Secretary of the Interior to establish, equip, and maintain a research laboratory in Reno for research and assistance in matters pertaining to precious and rare metal mining and metallurgy, and directs appropriation of \$750,000 for construction of a building sufficient to house the facilities indicated, and also directs appropriation of \$250,000 annually for maintenance and operation of said precious and rare metals station and other Bureau of Mines activities; Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada, That the Congress of the United States be, and it is hereby memorialized to enact said bill, H. R. 2386, to the end that proper housing and facilities be furnished the United States Bureau of Mines

precious and rare metals station, and that the University of Nevada may recover use of the building occupied by said station which it so sorely needs; and be it further

Resolved, That duly certified copies of this resolution be transmitted by the secretary of state of the State of Nevada to the President and Vice President of the United States, and to each Senator and the Representative of the State of Nevada in the Congress of the United States.

CLIFF JONES,
President of the Senate.
C. A. CARLSON, Jr.,
Secretary of the Senate.
PETER W. BEEBE,
Speaker of the Assembly.
NATHAN T. HURST,
Chief Clerk of the Assembly.

Approved March 29, 1949.

VAIL L. PITTMAN,
Governor.

EXTENSION OF RIGHTS AND PRIVILEGES OF CERTAIN VETERANS UNDER SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. HUMPHREY. Mr. President, I present for appropriate reference and printing in the RECORD a resolution adopted by the Legislature of Minnesota, favoring the extension of rights and privileges of veterans of World War II under title V of the Servicemen's Readjustment Act of 1944.

The resolution was referred to the Committee on Labor and Public Welfare and, under the rule, ordered to be printed in the RECORD, as follows:

Whereas the right of most veterans of World War II to receive readjustment allowances under title V of the Federal Servicemen's Readjustment Act of 1944 (known as the GI bill of rights) expires July 25, 1949; and

Whereas only about one-half of unemployed Minnesota veterans of World War II have rights to benefits under the Minnesota employment and security law; and

Whereas unemployment amongst Minnesota veterans is increasing; and

Whereas economic conditions in the near future may be such as to cause great hardship and financial distress to such veterans and their families: Now, therefore, be it

Resolved, That the Legislature of the State of Minnesota do herewith memorialize and petition the Eighty-first Congress of the United States of America now in session in the city of Washington, D. C., to extend the rights and privileges of veterans of World War II under title V of the Servicemen's Readjustment Act of 1944; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, the Vice President, the Speaker of the House of Representatives, and to each Congressman and Senator from the State of Minnesota.

TUITION FEES FOR TRAINING VETERANS

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter from the State of Minnesota department of education, vocational division, signed by S. K. Wick, acting State director of vocational education, and Clarence E. Funk, field supervisor of veterans' training, together with resolutions adopted by the National Association of State Approval Agencies, in session at Washington, D. C., and the first national conference of the National Association of State Approval Agencies, in Kansas City, Mo., relating to tuition fees for training veterans.

There being no objection, the letter and resolutions were referred to the

Committee on Labor and Public Welfare and ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF EDUCATION,
VETERANS ON-THE-JOB TRAINING,
June 21, 1949.

HON. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: We have received copies of the companion bills, H. R. 1966 and S. 1150, which are designed to establish a procedure by which the Administrator of Veterans' Affairs might require the State approval agencies of the several States to hold public hearings regarding the tuition rate the Veterans' Administration is being charged by schools approved for training veterans under the Servicemen's Readjustment Act of 1944, as amended. I should like to convey to you our objections to the proposed legislation and we shall appreciate your efforts in the opposition to these bills.

We believe that it is fundamentally sound for any agency, Federal or State, which pays the claim for tuition and other expenses to make the determination as to the fairness and reasonableness of the charges made by such schools. Our State agency has worked very closely with the Veterans' Administration in accordance with our State department of education policies formulated through our Minnesota private trade school law in the approval of schools. None of the legitimate schools which have sought to become established in the field of veterans' training have experienced any great difficulty with the Contract Division of the Veterans' Administration, and no worthy school, meeting all of our State requirements, has been excluded as a result of the procedure we employ in Minnesota.

Our present staff functionally performing the approval service in Minnesota would not be able to carry the additional work load which would inevitably develop by reason of public hearings which could be demanded. In order to make intelligent decisions in such public hearings, new personnel would be required and these would necessarily have to be experienced accountants and attorneys and there are no State funds available to employ such personnel for this service. Our present program is being operated with a very minimum of personnel and it is questionable whether our State legislature could make provision for additional expensive personnel. To date, there has been relatively little pressure on our agency since the Veterans' Administration has been very definitely in the picture to share the burden of financial determination.

Under the Servicemen's Readjustment Act, Congress placed the responsibility of approving qualified schools upon our State agency and that responsibility has been conscientiously accepted in Minnesota. Under the present legislation, the Veterans' Administration may report any irregularities discovered in any school to the State accrediting agency so that they might take immediate action if such is indicated. Such cases have arisen in the past and have been worked out to the satisfaction of everyone concerned. Public school hearings have not been necessary, for in many of these cases a conference with the school officials has remedied the objection. Public hearings can be called at the present time but we feel it is unnecessary in the majority of cases. At this late date of the veterans' training program which is already beginning to decline, we feel that proposed legislation would unnecessarily reawaken a great deal of confusion that is beginning to be clarified under the existing operating mechanics.

Under the proposed legislation, the State approval agency could be required to hold public hearings for our universities, col-

leges, or any of our other public or private schools. The very embarrassing situation which would result can be very readily seen. We feel that the situation in the public schools can be much more satisfactorily disposed of by other methods which are under consideration by public-school men all over the country and the Veterans' Administration at the present time.

Attached are two resolutions which were drawn by the National Association of State Approval Agencies. This group, at its first national conference in Kansas City last September, was unanimous in their objection to H. R. 6079 which was introduced in the Eightieth Congress and which is identical to H. R. 1966 and S. 1150 of the Eighty-first Congress.

It has also come to our attention that private school interests are attempting to carry H. R. 3264 with the above discussed legislation. The only purpose for the introduction of H. R. 3264 was to make it possible for the various State agencies to more adequately supervise the proprietary schools approved for veterans training in their respective States. At the present time, according to Veterans' Administration statistics, there are more veterans in training in private schools than there are in on-the-job training and yet the Veterans' Administration, under Public Law 679, reimburses only for salaries and travel expenses of personnel to inspect and supervise the on-the-job training.

To better insure the quality of training being provided in the various private schools, the enactment of H. R. 3264 is needed. We respectfully request your support of this bill.

Yours very truly,

S. K. WICK,

Acting State Director of Vocational
Education.

By CLARENCE FUNK,
Field Supervisor, Veterans' Training.

RESOLUTIONS OF NATIONAL ASSOCIATION OF STATE APPROVAL AGENCIES

Whereas H. R. 1966 has been introduced in the House of Representatives of the Congress of the United States in the Eighty-first Congress; and

Whereas H. R. 1966 would require the State to hold public hearings on any educational or training institution which the Veterans' Administration does not believe is furnishing education and training commensurate with the tuition it charges; and

Whereas the States do not have adequate facilities or personnel to conduct such hearings, and funds for such are not available; and

Whereas the present laws and regulations by which the Veterans' Administration operates provide the Veterans' Administration, which is paying the bill, with adequate authority to successfully determine the adequacies or inadequacies of charges made by such schools: Now, therefore, be it

Resolved, That the executive committee of the National Association of State Approval Agencies in session at Washington, D. C., March 2-4, 1949, request that H. R. 1966 not be enacted by the Congress of the United States.

The following resolution was adopted unanimously at the First National Conference of the National Association of State Approval Agencies, held in Kansas City, Mo., September 20-22, 1948:

"Whereas H. R. 6079 was introduced in the last days of the session of the Eightieth Congress and received considerable support, but failed in final passage and will probably be reintroduced when the Eighty-first Congress convenes; and

"Whereas H. R. 6079 will serve no gainful purpose by establishing authority for the Administrator of Veterans' Affairs to require public hearings by State agencies of prob-

lems and complaints arising with training institutions, and provides neither personnel nor funds to accomplish investigations and hold such hearings; be it therefore

"Resolved, That a request be directed to the Members of Congress that no further consideration be given to the passage of H. R. 6079."

DISCRIMINATION AGAINST NEGROES IN MINNESOTA NATIONAL GUARD—RESOLUTION OF PETER GRAHAM POST, NO. 2948, VETERANS OF FOREIGN WARS

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Peter Graham Post, No. 2948, Veterans of Foreign Wars of the United States, International Falls, Minn., relating to discrimination against Negroes in the Minnesota National Guard.

There being no objection, the resolution was referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Whereas the practice of discrimination against the Negroes in the Minnesota National Guard has been perpetuated and has remained unchanged for the last 80 years, although in many other phases of life in Minnesota there has been progress; and

Whereas the attitude of recreational places, restaurants, and hotels has been changed and many employers are hiring Negroes and upgrading them; and

Whereas this discriminatory policy now in force in our Minnesota National Guard stems from a War Department regulation; and

Whereas last year the Secretary of the Army indicated he would be inclined to except Minnesota from this regulation if the Legislature of the State of Minnesota requested it, and exception has already been made in the States of New Jersey and Connecticut; and

Whereas the Minnesota poll of public opinion published figures indicating that 64 percent of all men and women approached believed that Negroes should be admitted to the Minnesota National Guard on the same terms as white men; and

Whereas Senate file No. 10, which is a concurrent resolution memorializing the President and Congress of the United States to enact legislation securing to all citizens, and particularly to its Negro citizens, the right to serve in the National Guard without segregation in separate units, has been passed by both houses of our State legislature, signed by Gov. Luther W. Youngdahl and forwarded to Washington: Therefore be it hereby

Resolved, That Peter Graham Post, No. 2948, Veterans of Foreign Wars of the United States, International Falls, Minn., do believe that the practice of discriminating against the Negro in the Minnesota National Guard should be abolished, and that interest be stimulated in Washington by sending a copy of said resolution to President Harry S. Truman, Senators Edward J. Thye, and Hubert H. Humphrey; Representatives August H. Andresen, Joseph P. O'Hara, Roy W. Wier, Eugene J. McCarthy, Walter H. Judd, Fred Marshall, H. Carl Andersen, John A. Blatnik, and Harold C. Hagen, urging their immediate attention and to advise the Eighth District of Minnesota, Veterans of Foreign Wars of the United States of their specific activity in regard to the situation here in the Minnesota National Guard.

ROBERT H. STEELE,

Commander, Peter Graham Post,
No. 2948, Veterans of Foreign
Wars.

Attest:

FRANCIS E. PAPILLON,
Adjutant.

The above resolution adopted at our eighth district convention at Cloquet, Minn., May 22, 1949.

GEORGE WOLEAN,
District Commander.

Attest:

R. A. RUCE,
District Adjutant.

EXTENSION OF SERVICEMEN'S READJUSTMENT ACT OF 1944 RELATING TO UNEMPLOYED VETERANS

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD, a letter from the Minnesota Division of Employment and Security, St. Paul, Minn., signed by Victor Christgau, director, relating to legislation to extend the Servicemen's Readjustment Act of 1944, to cover unemployed veterans who are not covered by State unemployment compensation laws.

There being no objection, the letter was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DIVISION OF EMPLOYMENT AND SECURITY,
St. Paul, Minn., July 8, 1949.

HON. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: I understand there is pending in the Senate legislation to extend the Servicemen's Readjustment Act of 1944. You may recall such legislation would be in accordance with the joint resolution adopted by the Minnesota Legislature during the 1949 session, a copy of which is attached for your convenience.

In view of the possibility of unemployment continuing to increase during the next year or two, I feel there is, at this time, a good deal of merit to continuing the program with certain amendments to the law which established it.

The need for the program is largely to cover unemployed veterans who are not covered by State unemployment compensation laws. At the time the Minnesota Legislature adopted the resolution only about one half of the unemployed veterans of World War II had rights under the Minnesota employment and security law. In view of the substantial number of veterans who are employed in agricultural work during the summer, that ratio is now increased to about 60 percent, however, during the winter months it would probably revert back to about 50 percent.

I was in Washington during the early thirties and interviewed a number of veterans of World War I who came to Washington in connection with the bonus march, and subsequently saw the evil effects of not taking care of the unemployed veterans of World War I promptly. I think unemployment insurance coverage for those not now covered by State laws would go a long way toward preventing something like that happening again. It would likewise prevent a large number of veterans who spent 3 or 4 years in the service and then 3 or 4 years in school from being forced to go on relief rolls in order to take care of themselves and their families.

In many cases readjustment allowances for unemployed veterans at this time would be protecting the Government's investment in such veterans, many of whom have been trained for specific jobs, but at the moment the jobs for which they are trained are not available nor any other suitable job to tide them over until they become employed.

Likewise it would discourage veterans who have worked in noncovered employment, such as agriculture, public services, religious and charitable organizations to see other

veterans in the service were fortunate enough upon returning to secure jobs in covered employment and thus were protected by State unemployment insurance while unemployed, while they would experience no such protection.

For your ready information there were in Minnesota approximately 300,000 veterans of World War II; of this number 168,500 at one time or another have drawn servicemen's readjustment-allowance checks in the total amount of \$59,500,000; 13,000 have exhausted their benefit rights, which is approximately 4 percent of the total. A small percentage of individuals have exhausted their rights and of that percentage there were many who had disabilities which made it more difficult to find suitable work for them. This indicates that veterans in this State have not taken undue advantage of the program. I think much the same could be said for the Nation as a whole. I recognize that there have been some abuses in the program at some spot or another, but I feel sure that has been greatly overemphasized and is far overshadowed by the tremendous amount of good that has resulted from the program.

I would like to suggest for your consideration the following amendments to the law which I think will improve the program as well as serve as an answer to some of the opposition to an extension. You may wish to bring these to the attention of the Senate:

1. Before qualifying for readjustment allowances a veteran would be required to first exhaust his benefits, if any, under the State law. In other words, any veteran who had earned wage credits under a State unemployment compensation act first would be required to exhaust his rights there.

2. That benefits to any veteran be limited to 26 weeks in any calendar year. This likewise could be a limitation to a benefit year instead of a calendar year. At least the limitation should be 26 weeks in a 1-year period. It would have been well if this amendment had been in the original act. It would have prevented the impression from getting around that veterans were entitled to 52 weeks of benefits without having to look for or take jobs.

3. The feature of the program providing for assistance in self-employment (in Minnesota most of the benefits of that part of the program went to those who were starting out in agriculture) could now be eliminated.

4. In nearly all States the weekly benefit amounts have been raised due to the higher cost of living. An extension to include an increase in the weekly benefit amount to about \$24 a week would be well.

From time to time I have heard criticism that veterans were being paid readjustment allowances who were not actively seeking work. I think generally the Veterans' Administration and the States have interpreted the law to require a veteran to be seeking work. I do not know how much of that criticism has been brought to the attention of the Members of Congress but if there has been some and there is opposition to the program because of it the matter could be met by an amendment which would require veterans to be actively seeking work. Personally I am not enthusiastic for that kind of an amendment. It was once in our law and we had it taken out largely because of the varying interpretations that were placed upon it. However, if such an amendment is needed to meet criticism or opposition to extension, it would be worth considering.

I am sending these observations to you thinking they might be helpful to you in considering the pending legislation. If you desire any other information about this matter I would be glad to attempt to supply you with it.

Sincerely yours,

VICTOR CHRISTGAU,
Director.

ROCHDALE COOPERATIVE PRINCIPLES OF INSTRUCTION IN PUBLIC INSTITUTIONS—RESOLUTION OF MINNESOTA FEDERATION OF TEACHERS

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the State convention of the Minnesota Federation of Teachers, relating to instruction in the Rochdale cooperative principles in public institutions of learning and training.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

RESOLUTION TO SECURE AND EXTEND INSTRUCTION IN THE ROCHDALE COOPERATIVE PRINCIPLES IN PUBLIC INSTITUTIONS OF LEARNING AND TRAINING, ADOPTED BY THE STATE CONVENTION, MINNESOTA FEDERATION OF TEACHERS, APRIL 30, 1949

Whereas the State of Minnesota has succeeded, in a leading role in the United States, in the development of cooperatives adhering to the Rochdale cooperative principles; and

Whereas the volume of the business of the cooperatives has arrived at the point of an important proportion of the entire business in the State of Minnesota; and

Whereas the greater proportion of the development of the cooperatives in the State of Minnesota has been accomplished without the aid of persons instructed through the regular instructional agencies of the State of Minnesota; and

Whereas instruction in the methods of this form of business endeavor should have regular recognition for the purpose of proper training of qualified instructors for all school grades in the State of Minnesota: Therefore be it

Resolved, That the Minnesota Federation of Teachers in convention assembled this 30th day of April 1949, do hereby congratulate the cooperatives operating under the Rochdale cooperative principles for their very effective, but unaided, work in the development of the cooperative movement throughout Minnesota; and be it further

Resolved, That the Minnesota Federation of Teachers approve of instruction in this method of business endeavor in all of the teacher-training institutions in this State, and request the Teachers College Board and the president of the university to give it favorable consideration; and be it further

Resolved, That the Minnesota Federation of Teachers instruct its affiliated locals and request the central labor bodies to do all in their power to secure instruction on cooperative principles in our public schools and teacher-training institutions; and be it further

Resolved, That the Minnesota Federation of Teachers do cause to be published this resolution and order its officers to transmit copies thereof to all locals of the American Federation of Teachers and central bodies of the American Federation of Labor in the State of Minnesota, and to the Minnesota Association of Cooperatives and to the Central Cooperative Wholesale.

ESTABLISHMENT OF SELF-GOVERNMENT IN LITHUANIA

Mr. MYERS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by a large assembly of citizens of the United States of Lithuanian descent, and their friends, at Philadelphia, Pa., relating to the establishment of self-government in Lithuania.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF COMMITTEE FOR LITHUANIAN LIBERATION, PHILADELPHIA, PA.

Whereas this large assembly of citizens of the United States of America, of Lithuanian descent, and their friends, have gathered here on July 1, 1949; and

Whereas it has been universally observed that the two and a half million citizens of the Republic of Lithuania have demonstrated their capacity for peaceful and honorable self-government, both nationally and internationally for the period of 22 years; and

Whereas the world in general and the United Nations in particular have ample and authentic proof and information concerning the destruction, by the leaders of Soviet Russia, of the population of Lithuania, by murder, imprisonment, starvation, persecution, slave labor, and deportation to extreme and desolate provinces of Soviet Russia: Therefore be it

Resolved, That we respectfully urge our fellow Americans and peace-loving people everywhere to put forth every reasonable effort to help reestablish freedom and the honor of self-government in the Republic of Lithuania and in those countries, now suffering under the ruthless oppression of Soviet Russia; and further

Resolved, That the members of the United Nations and the Government of the United States, by its Department of State and the Senate of the United States, be requested to use every effort to bring to a termination the inhuman treatment now being administered to the Lithuanians and other peoples behind the iron curtain.

Rev. STANISLAUS RAILA,
Chairman.

Attest:

STANLEY F. MARUKEY,
Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'CONOR, from the Committee on the Judiciary:

H. R. 4566. A bill to revise, codify, and enact into law title 14 of the United States Code, entitled "Coast Guard"; with amendments (Rept. No. 656).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

S. 2030. A bill to clarify the laws relating to the compensation of postmasters at fourth-class post offices which have been advanced because of unusual conditions; without amendment (Rept. No. 657); and

H. R. 459. A bill to authorize the payment of employees of the Bureau of Animal Industry for overtime duty performed at establishments which prepare virus, serum, toxin, or analogous products for use in the treatment of domestic animals; without amendment (Rept. No. 658).

By Mr. CONNALLY, from the Committee on Foreign Relations:

S. 2198. A bill to extend the time for commencing the construction of a toll bridge across the Rio Grande at or near Rio Grande City, Tex., to July 31, 1950; without amendment (Rept. No. 659); and

H. R. 1360. A bill to extend the times for commencing and completing the construction of a free bridge across the Rio Grande at or near Del Rio, Tex.; without amendment (Rept. No. 660).

By Mr. HAYDEN, from the Committee on Appropriations:

H. R. 3838. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes; with amendments (Rept. No. 661).

REDUCTION IN GOVERNMENTAL EXPENDITURES—AMENDMENT

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, reported an amendment to the joint resolution (S. J. Res. 108) to reduce expenditures in Government for the fiscal year 1950 consistent with the public interest, heretofore reported by that committee, which was ordered to be printed.

REPORT OF PERSONNEL AND FUNDS BY COMMITTEE ON FOREIGN RELATIONS

Pursuant to Senate Resolution 123, Eightieth Congress, first session, the following report was received by the Secretary of the Senate:

JULY 11, 1949.

REPORT OF COMMITTEE ON FOREIGN RELATIONS TO THE SECRETARY OF THE SENATE:

The above-mentioned committee, pursuant to Senate Resolution 123, Eightieth Congress, first session, submits the following report showing the name, profession, and total salary of each person employed by it and its subcommittees for the period from January 3, 1949, to June 30, 1949, together with the funds available to and expended by it and its subcommittees:

Name and profession	Rate of gross annual salary	Total salary received
Francis O. Wilcox, chief of staff....	\$10,330.00	\$5,136.28
Richard H. Heindel, staff associate.	10,330.00	5,164.98
Thorsten V. Kalijarvi, staff associate.	10,330.00	5,164.98
C. C. O'Day, clerk.....	8,906.10	4,453.03
Emmett M. O'Grady (from Jan. 27), assistant clerk.....	4,866.97	2,081.97
Isabel M. Smith, assistant clerk.....	4,370.38	2,185.14
Morella R. Hansen, assistant clerk.....	4,039.33	2,019.66

Funds authorized or appropriated for committee expenditure..... \$10,000.00
Amount expended..... 6,985.82

Balance unexpended..... 3,014.18

TOM CONNALLY,
Chairman.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KILGORE:

S. 2247. A bill to amend the Armed Forces Leave Act of 1946 to provide leave credit for National Guard personnel undergoing training under provisions 94, 97, and 99 of the National Defense Act; to the Committee on Armed Services.

By Mr. HOEY:

S. 2248. A bill to amend section 7 (a) of the act entitled "An Act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to establish the "chief grade" in the Dental Service, and for other purposes; and

S. 2249. A bill to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes; to the Committee on Finance.

By Mr. McCARRAN:

S. 2250. A bill for the relief of Mrs. Elisabeth Tillman; to the Committee on the Judiciary.

By Mr. TOBEY:

S. 2251. A bill for the relief of Mrs. Grace Haywood; to the Committee on Finance.

By Mr. HUMPHREY:

S. 2252. A bill to amend the Civil Service Retirement Act of May 29, 1930, to provide

increased benefits for certain Federal employees who have served less than 20 years in law-enforcement work; to the Committee on Post Office and Civil Service.

By Mr. SCHOEPEL:

S. 2253. A bill for the relief of Dr. In Sung Kwak; to the Committee on the Judiciary.

By Mr. McGRATH:

S. 2254. A bill to prohibit radio broadcasting stations from charging in excess of regular rates for political broadcasts; to the Committee on Interstate and Foreign Commerce.

(Mr. McGRATH also introduced Senate bill 2255, to establish the National Pulaski Foundation, which was referred to the Committee on Rules and Administration, and appears under a separate heading.)

By Mr. JOHNSON of Colorado:

S. 2256. A bill for the relief of Zdenek David; and

S. 2257. A bill for the relief of Hyman Winerman; to the Committee on the Judiciary.

By Mr. PEPPER:

S. 2258. A bill for the relief of Dr. Apostolos A. Kartsonis; to the Committee on the Judiciary.

NATIONAL PULASKI FOUNDATION

Mr. McGRATH. Mr. President, I introduce for appropriate reference a bill to establish the National Pulaski Foundation, and I ask unanimous consent that the bill, together with an explanatory statement by me, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill, together with the explanatory statement, will be printed in the RECORD.

The bill (S. 2255) to establish the National Pulaski Foundation, introduced by Mr. McGRATH, was read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in order to provide a fitting and permanent memorial in honor of Gen. Casimir Pulaski which will serve to perpetuate the ideals of liberty and freedom for which he gave his life in the cause of American independence, there is hereby established the National Pulaski Foundation (hereinafter referred to as the "Foundation"). The purpose of the Foundation shall be to render assistance to, and make possible the continued existence of, the Polish Library in Paris and the Polish Institute of Arts and Sciences in America, institutions which are dedicated to the perpetuation of the cultural traditions of General Pulaski's native land in close association with the democratic countries of western civilization, free from alien and totalitarian influence and pressures.

Sec. 2 (a). The Foundation shall be administered by a board of governors (hereinafter referred to as the "board") consisting of the Librarian of Congress, the Secretary of the Smithsonian Institution, and one member to be appointed by each of the following: American Council of Learned Societies, the Polish Library in Paris, and the Polish Institute of Arts and Sciences in America, a corporation organized under the laws of the State of New York. The board shall elect a chairman, vice chairman, and secretary from among its members. Three members of the board shall constitute a quorum for the transaction of business, and the board shall have an official seal which shall be judicially noticed. The board may adopt rules and regulations in regard to its procedure and the conduct of its business. The headquarters of the board shall be in the District of Columbia.

(b) The board shall have power to employ necessary personnel without regard to the

civil service laws or the Classification Act of 1923, as amended. No compensation shall be paid to the members of the board for their services as such members but all costs incurred by the board in carrying out its duties under this act, including the expenditures necessarily made by the members in the performance of their duties and the compensation of persons employed by the board, shall be paid out of funds which are hereby authorized to be appropriated.

SEC. 3. (a) In order to carry out the purpose of the Foundation, the sum of \$1,500,000, which is hereby authorized to be appropriated, shall be administered by the board as a trust fund for the benefit of the Polish Library in Paris and the Polish Institute of Arts and Sciences in America. Not to exceed \$200,000 of such principal sum may be drawn upon by the board to make immediate grants to the said Polish Library in Paris and the Polish Institute of Arts and Sciences in America for capital improvements and operating expenses, but such grants shall not exceed in the aggregate \$100,000 to either institution. The remainder of such principal sum shall be invested and reinvested by the board in such securities as may be lawfully purchased by a trust company in the District of Columbia. The board shall have all the usual powers and obligations of a trustee with respect to the funds administered by it, but the members of the board shall not be personally liable except for malfeasance. The income from the trust funds held and administered by the board shall be paid over by it to the Polish Library in Paris and the Polish Institute of Arts and Sciences in America in such amounts and at such intervals as it shall determine.

(b) The board shall have authority to accept, receive, hold, and administer such gifts or bequests of money, securities, or other personal property, for the benefit of or in connection with the Polish Library in Paris or the Polish Institute of Arts and Sciences in America, as may be made to it. Such gifts or bequests as the board may accept shall be administered in accordance with the terms of the instrument making such gift or bequest and, if no terms are specified, shall be added to the trust funds herein authorized to be administered by the board. The trust funds administered by the board, and any gifts or bequests received by the board, under the provisions of this act, and the income therefrom, shall be exempt from all taxes.

SEC. 4. The board may make suggestions to the governing bodies or officials of the Polish Library in Paris and the Polish Institute of Arts and Sciences in America with a view to coordinating the activities of the two institutions, but nothing contained herein shall be construed as a limitation upon the freedom of action of such institutions.

SEC. 5. The board shall submit to the Congress an annual report of its operations including a statement of the moneys and securities held by it, the income therefrom, and the distribution of such income.

The explanatory statement presented by Mr. McGRATH is as follows:

STATEMENT BY SENATOR McGRATH

The last echo of Independence Day fireworks has passed, but the names of those who made that independence possible have not dimmed, even across the expanse of time.

Foremost among those heroic fighters stands Gen. Casimir Pulaski, who founded and financed the first American cavalry force with his own money. And at the Battle of Savannah he gave his life. General Pulaski was not an American, but he was a fervent lover of freedom who came from Poland, a country that has always cherished freedom above all else.

Poland, our traditional ally, has given us more than a great national hero and martyr for our cause; she has steeped our country in her culture and ideals. Her musicians and writers, her artists and singers, her missionaries, teachers, and inventors, her heroic fighters—soldiers, aviators, and seamen—have added, year after year, to the grandeur of General Pulaski's supreme gift.

The history of Casimir Pulaski's native land is proof that through the centuries she has been staunchly faithful to her Christian ideal of religious tolerance and true democracy. Because of these liberal values and because of her geographical position, between the pioneers of two autocratic empires—Germany and Russia—Poland has again and again fallen victim to the rapacious imperialism of her neighbors. But all ruthless efforts to disrupt the unity of the Polish people did not suppress their spirit nor their creative genius. Persecution and oppression failed to sever the indissoluble link between the Polish Nation and western civilization.

Faced with this magnificent nation's record and her fighting sons sacrifice on our behalf, the present fate of Poland is even more incongruous and tragic. It is ours to save now what can be saved of the Polish outposts of spirit and culture, welded and forged by General Pulaski.

The Congress of the United States has in the past made great appropriations to memorialize the foreign heroes of the American Revolution, but for Casimir Pulaski we have no such memorial. And for this nobleman, who counted his own life and fortune as little when the cause of freedom was at stake, a material memorial would seem inexpressive.

It is, therefore, a privilege and honor to introduce a bill for the establishment of the National Pulaski Foundation in order to provide a fitting and permanent memorial in honor of General Pulaski which will serve to perpetuate the ideals of liberty and freedom for which he gave his life in the cause of American independence.

The purpose of the foundation shall be to render assistance to and to make possible the continuation of the Polish Library in Paris and the Polish Institute of Arts and Sciences in America. Both are dedicated to the perpetuation of the cultural traditions of General Pulaski's homeland, in close association with the democracies, free from alien and totalitarian influence and pressures. These two institutions, steeped in the highest concepts of a democratic and Christian way of life, continue to serve as a potent antidote against communistic poison.

The creation of a national Pulaski foundation, dedicated to the memory of the General and the principles which he represented, will be accepted with the constant gratitude of every liberty-loving citizen. The Polish Nation, traditional ally of the United States, will be given new courage to hold fast to its ideal of human rights and to maintain the hope that their own freedom and full independence will be restored.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS—AMENDMENTS

Mr. SALTONSTALL. Mr. President, I submit for appropriate reference amendments intended to be proposed by me to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes. The amendments relate to maritime training of personnel for the manning of the merchant marine.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. MILLIKIN (for himself and Mr. JOHNSON of Colorado) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. MYERS. Mr. President, on behalf of the Senator from Connecticut [Mr. McMAHON] and myself, I submit for appropriate reference amendments intended to be proposed by us to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes. The amendments provide unmarried widows of deceased World War II servicemen with the same home-loan privileges under the GI bill as are available to living veterans. I ask unanimous consent that the amendments, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received and appropriately referred, and, without objection, the amendments, together with the explanatory statement presented by the Senator from Pennsylvania will be printed in the RECORD.

The amendments submitted by Mr. MYERS (for himself and Mr. McMAHON) were referred to the Committee on Banking and Currency, as follows:

On page 76, between lines 20 and 21, insert the following:

"(a) By inserting after the first sentence of section 500 (a) the following new sentence: 'The unmarried widow of any person who met the active-service requirements for benefits under this title and who died, either in service or after separation from service under conditions other than dishonorable, as a result of injury or disease incurred in or aggravated by such service in line of duty (other than any such widow who by reason of her own service is eligible for the benefits of this title) shall also be eligible for the benefits of this title; and the term "veteran" as used in this title shall include any such unmarried widow.'"

On page 76, line 21, strike out "(a)" and insert "(b)."

On page 77, line 9, strike out "(b)" and insert "(c)."

On page 77, line 18, strike out "(c)" and insert "(d)."

On page 77, line 23, strike out "(d)" and insert "(e)."

The explanatory statement presented by Mr. MYERS is as follows:

STATEMENT BY SENATOR MYERS

Since S. 2246 undertakes to change the home-loan provisions of the Servicemen's Readjustment Act of 1944—the GI bill—this appears to be the proper place to submit the amendment which the Senator from Connecticut and I have proposed. What our amendment does is to redefine "veteran" for purposes of housing loans to include the unmarried widows of World War II servicemen who died in action, or of servicemen who have died subsequent to the war as a result of service-connected disabilities.

Personally, I cannot see how any Member of the Congress can have any quarrel with such a proposal. In truth, I am shocked that we have already allowed more than 5 years to elapse since the original passage

of the GI bill without having made this obvious and desirable change.

I feel that the wives who were widowed by the war are surely entitled to the same consideration as those who have known the joy of having their husbands return safely from the war.

It is my understanding that the Senate Banking and Currency Committee has already conducted hearings on most of the provisions contained in S. 2246, and it is our hope that in marking up the bill before reporting it out to the Senate that the Banking and Currency Committee will have an opportunity to consider the amendment which we are proposing today.

I might add, incidentally, that S. 2246 is, in my opinion, a splendid measure. For one thing, it carries out a promise made in the Democratic platform of 1948 to do everything which we in the Congress can do to encourage the private financing and construction of decent housing for the American people. It is an answer, too, to those who have criticized the Members of the Congress who supported public housing. What S. 2246 recognizes is that public housing can solve only a very small fraction of the housing problem in this country—that being the fraction of our people who find it utterly impossible to provide themselves with adequate homes. To put an end to the housing shortage, the primary emphasis obviously must be directed along lines of encouraging private building of private homes—and that is exactly what S. 2246 is designed to do.

The amendment which the Senator from Connecticut and I have introduced is designed to further that purpose by extending home-building opportunities to a small, but nonetheless especially deserving group of our people—the unremarried widows of those who have given their lives in serving their country.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. THOMAS of Oklahoma. In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, the following amendment, namely:

On page 21, line 11, after the word "reservations", insert the following: "Provided further, That jurisdiction is hereby conferred upon the United States District Court for the Western District of Oklahoma of any condemnation proceedings which may be instituted in such court by the city of Lawton, Okla., for the acquisition for municipal and public purposes of all or any part of the following-described tract of land located in Comanche County, Okla.: The north half of section 30, township 2 north, range 11 west, of the Indian meridian.

"Proceeds from the condemnation proceedings shall be deposited in the United States Treasury to the credit of the Fort Sill Indian School: *Provided, however,* That the Secretary of the Interior with the consent of the Kiowa, Comanche, and Apache Indian Tribes may use all or part of such fund to acquire additional lands for the use of the school.

"If any land taken, as herein provided, be used other than for municipal and public purposes, title to same shall revert to the United States."

Mr. THOMAS of Oklahoma also submitted an amendment intended to be

proposed by him to House bill 3838, making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

GOVERNMENT FINANCING—ADDRESS BY SENATOR CAPEHART

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a radio address on the subject of Government financing, delivered by him on July 10, 1949, which appears in the Appendix.]

ATLANTIC PACT—ATLANTIC UNION

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD a radio discussion between him and Mr. Charles Farmer on the subject of the North Atlantic Treaty, on July 9, 1949, which appears in the Appendix.]

GOVERNMENT BONDS AND FEDERAL FINANCES—EDITORIAL FROM PHILLIPSBURG, KANS., PHILLIPS COUNTY REVIEW

[Mr. REED asked and obtained unanimous consent to have printed in the RECORD an editorial entitled "Must It Be Done?" published in the Phillips County Review, of Phillipsburg, Kans., of July 7, 1949, which appears in the Appendix.]

TWO GREAT DELUSIONS ABOUT THE A-BOMB—ARTICLE BY HANSON W. BALDWIN

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Two Great Delusions About the A-Bomb," written by Hanson W. Baldwin and published in the New York Times magazine for July 10, 1949, which appears in the Appendix.]

UN IS DOING A JOB—ARTICLE BY A. M. ROSENTHAL

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "UN Is Doing a Job," written by A. M. Rosenthal and published in Collier's magazine for July 9, 1949, which appears in the Appendix.]

EARLY PRODUCTION OF IRON IN THE UNITED STATES—LETTER FROM J. H. HILLMAN, JR.

[Mr. NEELY asked and obtained leave to have printed in the RECORD a letter dated July 6, 1949, from J. H. Hillman, Jr., to A. L. Moredock, president of the Greene County Historical Society, Waynesburg, Pa., on the subject of early production of iron in the United States, which appears in the Appendix.]

THE REPUBLICAN PARTY AND THE LABOR VOTE

[Mr. NEELY asked and obtained leave to have printed in the RECORD an article entitled "The Republican Party Doesn't Want the Labor Vote," published in the July 9 edition of the Nation, which appears in the Appendix.]

THE GEORGE ROGERS CLARK MEMORIAL BRIDGE—ARTICLE BY MAURICE H. THATCHER

[Mr. WITHERS asked and obtained leave to have printed in the RECORD an article relative to the George Rogers Clark Memorial Bridge, by Maurice H. Thatcher, published in the Filson Club History Quarterly, which appears in the Appendix.]

DO IDENTICAL PRICES INDICATE CONSPIRACY?—ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

[Mr. MORSE asked and obtained leave to have printed in the RECORD an article "Do Identical Prices Indicate Conspiracy?" written by Harold Fleming and published in the Christian Science Monitor of June 3, 1949, which appears in the Appendix.]

ADDITIONAL AUTHORIZATION FOR FLOOD-CONTROL WORK IN LACKAWAXEN RIVER BASIN, PA.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I made July 13, 1949, before the Senate Committee on Public Works in behalf of additional authorization for flood-control work in the Lackawaxen River Basin, Pa.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS, OF PENNSYLVANIA, BEFORE SENATE PUBLIC WORKS COMMITTEE IN BEHALF OF ADDITIONAL AUTHORIZATION FOR FLOOD-CONTROL WORK IN THE LACKAWAXEN RIVER BASIN, WAYNE COUNTY, PA., JULY 13, 1949

My purpose in appearing before you today in behalf of the Lackawaxen Basin flood-control project is merely to remind you again of the importance of this project to the communities and citizens of Wayne County, Pa., in order to insure inclusion in the final flood-control authorization omnibus bill of additional funds.

This project, as you know, is now partially authorized. In order to assure efficient and expeditious work on the entire integrated program on both the Prompton and Dyberry Reservoirs, an additional authorization of \$6,000,000 is necessary. The House Committee on Public Works has already approved this additional authorization.

The Lackawaxen flood-control program was first proposed in a bill I introduced in the Seventy-ninth Congress. Unfortunately, it was too late for action at that time because the Commonwealth of Pennsylvania was unable to pass on it in time to have it included in the omnibus authorization bill enacted in July of 1946. I reintroduced the bill in 1947 as S. 1908. When this committee, last year, drafted its omnibus bill, only part of my bill was included in it and authorization was thus given for only one of the two reservoirs.

The feeling on the part of the committee at that time was, I understand, that since we were then in the midst of an inflationary period, Government expenditures for public works activity should be held down to a minimum. Of course, the authorization by itself does not increase Government expenditures by a single cent so that it would not have cost the Government any more had the full authorization of about \$12,000,000 been allowed at that time.

That is now just water over the dam, which is perhaps not a good expression to use in this connection. In any event, as a result of the truncated authorization, the Army engineers have been unable to use any of the planning funds available to them for engineering and planning work on the Dyberry Reservoir and will not be able to do so until the Congress corrects the situation by approving the full authorization.

Knowing of your familiarity with this project, I have not felt it necessary to bring down today any of the spokesmen for the citizens of Wayne County in behalf of this authorization request. My own appearance

here, as I said, was prompted by my desire to keep you informed of my continuing interest in this work and I did not want the hearings to end without something in the record to show that the people of Wayne County are very much concerned about this matter.

IMPROVEMENTS ON MONONGAHELA RIVER FOR NAVIGATION

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I made July 13, 1949, before the Committee on Public Works, on behalf of further improvements on the Monongahela River for navigation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS, OF PENNSYLVANIA, ON BEHALF OF AUTHORIZATION OF FURTHER IMPROVEMENTS ON THE MONONGAHELA RIVER FOR NAVIGATION BEFORE SENATE PUBLIC WORKS COMMITTEE, JULY 13, 1949

Since it will be impossible for me to be present at your hearings tomorrow when you take up the question of further improvements on the Monongahela River, because of some hearings which I am conducting at that time as chairman of a Subcommittee of the Senate Rules Committee, I would appreciate very much your permitting me to speak very briefly right now in behalf of this project and to voice my complete support for it.

The work contemplated under this proposal would be done in the State of West Virginia. A tremendous share of the benefits from this work, however, will accrue to Pennsylvania and to Pennsylvania industry and—because of the nature of the industries which would be benefited—to the entire Nation and particularly to our defense effort.

I shall not take your time to go into the details of the navigation improvement, the deepening of channels and the replacement of obsolescent locks because I know that you know the whole story and that you will have not only the engineers but spokesmen for various business interests before you tomorrow to go into the specifics of the work.

The main thing to remember about these proposed improvements on the Monongahela River is that they fortify the ability of the steel industry to produce at the simply astounding rates which this industry achieved during the war and thereafter. High quality coals of the kind which can be used in steel production will be made available for our Pennsylvania steel mills and for those down the Ohio River in great abundance if this project is approved.

A number of the major coal companies and steel producers have been in touch with me urging my support for this work. I have informed them that although the Senators from West Virginia are taking the primary responsibility for pushing it through, I would join them as vigorously as I could in endorsing this effort.

Last year, and again this year, I appeared before the Senate Appropriations Committee in behalf of funds for reconstruction work now under way on the Monongahela River, both at Braddock, Pa., and at Morgantown, W. Va. In both instances I made rather complete statements on the merits of the work in West Virginia which members of this committee sitting in with the Appropriations Subcommittee in an ex-officio capacity may have heard me make. Those statements which I made in behalf of Lock No. 10 replacement work at Morgantown apply with equal force to the proposed new program providing for replacement of Locks 12 to 15, inclusive, and widening and deepening the channels between existing Dam No. 8 and Mile 2.1 of the Tygart River.

The total first cost of this project as of September 1948 of an estimated \$30,000,000 or so may sound like a terrific amount of money—which, of course, it is. However, in relation to the economic benefits to be derived by our basic industries and by the tri-State area directly involved, which constitutes one of the greatest industrial centers of the Nation, the proposed expenditure is thoroughly justified and vitally necessary.

FLOOD CONTROL PROJECT AT BRADFORD, PA.

Mr. MYERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I made July 13, 1949, before the Committee on Public Works of the Senate, relating to the authorization of a flood-control project at Bradford, Pa.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS, OF PENNSYLVANIA, BEFORE SENATE PUBLIC WORKS COMMITTEE IN BEHALF OF S. 625, THE MYERS BILL, TO AUTHORIZE A FLOOD-CONTROL PROJECT AT BRADFORD, PA., AT AN ESTIMATED COST OF \$6,470,000, JULY 13, 1949

I very much appreciate the courtesy of this committee in including the Bradford project among those on which hearings are now being conducted. I know, of course, that these current hearings are concerned primarily with projects which the House Committee on Public Works did not cover in their recent hearings and which are not in the bill, H. R. 5472, reported out by the House committee on July 6 and now awaiting action in the House.

The Bradford project is included in the House bill, and thus does not qualify, strictly speaking, for hearing before you now, but since it is based on a survey report authorized by the predecessor Senate committee in 1946, I am trespassing on your time today in order to make sure that you have a full and complete understanding of the merits of this particular project.

In other words, although I am sure that this committee, on the basis of its past experience with this project and knowledge of it, will certainly include it in the final flood control omnibus authorization bill, my appearance today is merely added insurance.

We missed out last year by such a very narrow margin of time in having this project included in the authorization bill that I just don't want to miss any opportunity this year to guarantee its approval.

Briefly, the Bradford project originated under a resolution adopted June 26, 1946, by the Senate Committee on Commerce (which prior to the Congressional Reorganization Act had jurisdiction over these matters) and provided for a review of the existing report on the Ohio River with a view to determining whether or not flood-control work is advisable at the present time on the upper Allegheny River in and around Eldred and Bradford, Pa., in view of the recent floods.

That resolution was introduced by me at the request of citizens of Bradford and vicinity.

Senate Document 20, submitted to Congress early this year, was the result of that resolution. As you know, it recommends vigorously the authorization of the work proposed in my bill, S. 625. This document gives the complete data bearing on the project and I will not take your time to discuss it.

What I do want you to know is that I regard this project as of topmost urgency. In fact, I tried earlier this year to get an initial planning appropriation, at least, for this project, in the appropriation bill for the current fiscal year, even though recognizing how very unusual a procedure that would be. Our main purpose in seeking speed on this project is to make the project eligible for supple-

mental assistance by the Commonwealth of Pennsylvania, which cannot allocate any money for any part of the local work on the project—work which could now be under way—until the Congress has acted affirmatively on the project.

Last year when I appeared before you, I sought to have this project taken up under emergency procedure even though it had not yet been cleared by the Bureau of the Budget and formally transmitted to Congress. The committee at that time took the position that it would not consider any projects which had not completed this routine formality.

That hurdle is now removed. Further, the official report is available to you and contains all the essential facts. The House Public Works Committee has approved it and recommended it for inclusion in this year's authorization act. The project has complete local support and bipartisan support in the Congress. Spokesmen for the community are here to give you any additional information you may need or want.

Under those circumstances, I do not think it is necessary for me to take any more of your time this morning except to say again that this project proposed in my bill is extremely close to my heart.

INTERNATIONAL LABOR ORGANIZATION CONFERENCE—REPORT BY SENATOR O'CONOR

Mr. O'CONOR. Mr. President, I have recently returned from Geneva, Switzerland, following attendance upon the thirty-second session of the International Labor Conference as United States Government delegate. It is a duty as well as a pleasure to report to the Senate the nature of that meeting and of the work of the ILO.

The International Labor Organization is distinguished from other United Nations organizations by its tripartite character. Each member nation sends to the ILO Conference two delegates representing Government, one representing employers, and one representing workers.

It is generally agreed that this session, on the basis of its achievements, deserves to rank as one of the most successful in the long history of this phase of international cooperation.

At this point I feel I would be remiss if recognition were not accorded to the very splendid group of delegates and technical advisers constituting the United States delegation. To Philip M. Kaiser, of the United States Department of Labor; to Mr. Charles P. McCormick, of Baltimore, representing the employers; to Mr. George Philip Delaney, of the American Federation of Labor, as the workers' delegate; and to Mr. Walter M. Kotschnig, of the United States Department of State, who acted as substitute Government delegate and adviser, there is due a full measure of appreciation for their outstanding services. In addition, experts in the fields of government, management, and labor acted as advisers to the delegates and participated in the important committee meetings of the Conference.

The conscientious devotion of all to the tasks assigned them was responsible in great degree for the efficiency and success of American efforts in the Conference.

As evidence of the degree of cooperation achieved, it can be cited that the 550 delegates and advisers from the fifty-odd countries represented were

able to agree upon three new International Labor conventions. In addition, five other conventions were revised, three new recommendations were given approval and another revised, while most important resolutions were voted to assist in chartering ILO policy for the future.

From the American standpoint, certainly gratification can be expressed over what was generally regarded as the most important of the three new International Labor conventions. This Convention will require each country that ratifies it to assure its workers the right to organize into trade-unions and to bargain collectively. One need only to recall the unfortunate state of millions of workers now under Russian domination to appreciate the importance of this worldwide objective for improved working conditions.

Other new conventions adopted will assure that workers employed on contracts entered into by public authorities will have at least as favorable wages, hours of work, and working conditions as other workers doing similar work, and will protect workers' wages by guaranteeing that they are to be paid fully in cash directly to those employed.

A revised convention establishing international minimum standards for the protection of persons migrating from one country to take employment in another also is of the highest importance. Other revised conventions established vacation holidays with pay for seafarers, fixed minimum wages for seafarers, established maximum hours, set requirements for the manning of ships, and established standards for the accommodation of crews on board ship.

With the three new conventions adopted and the five that were revised, the International Labor Organization now has achieved an all-time total of 98 international agreements for the betterment of labor-management relationships throughout the world. One of the most vital decisions adopted at the Conference had to do with the economic development of underdeveloped areas, concerning which I had the privilege to dwell in my official answer to the report of the Director-General. The Conference approved a resolution authorizing the governing body of the ILO to make any necessary arrangements to enable the Organization to initiate an expanded program of technical assistance for the development of such undeveloped areas and to obtain the necessary funds.

I ask unanimous consent that the detailed report of the purposes and accomplishments of the International Labor Organization which I have prepared be inserted in the CONGRESSIONAL RECORD at this point, as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF SENATOR O'CONOR, OF MARYLAND, ON HIS MISSION TO THE UNITED STATES GOVERNMENT DELEGATION TO THE THIRTY-SECOND SESSION OF THE INTERNATIONAL LABOR ORGANIZATION AT GENEVA, SWITZERLAND, JUNE 1949

The International Labor Organization was established at the same time as the League of Nations and survived both that Organiza-

tion and the Second World War. I believe this is due in large part to its tripartite character, which assures the Organization the support of Government, workers, and employers alike. The ILO Conferences provide a unique opportunity for representatives of management and labor to come together with representatives of governments from around the world to agree on those labor standards which, when they are generally ratified and applied, will remove exploitation of labor as an element in international competition.

Both from a humanitarian and a competitive point of view, the United States with its own high labor standards has a special interest in cooperating with other nations in raising labor standards around the world. In seeking solutions of these problems the ILO proceeds by the method of discussion, compromise, and democratic decision which we know so well in the United States.

Representatives of fifty-odd nations participated in the meeting in Geneva—94 Government representatives, 43 representatives of workers' organizations, and 43 representatives of employers. It was an inspiring sight to see men and women from every part of the globe sitting down together to find solutions to their common problems. As I said in a radio broadcast which I was invited to make in Geneva:

"The point of view of the world's working men and women, the point of view of the employers, and that of governments, representing the public interest as a whole, is considered at every stage of the work of the ILO, from the give and take of committees to the decisions of the full conference. And because of the global range of the countries represented here, the point of view of every part of the world is heard and weighed. Thus, in any single committee, you will find sitting together the delegates from countries as different as the United States and Pakistan; the United Kingdom and Venezuela; Czechoslovakia and France."

The creation of the ILO in 1919 was inspired by efforts, beginning in the latter part of the nineteenth century, to get international agreement on some of the most dramatic dangers to workers—protection from certain poisons then used in industrial production and protection for child labor. That great labor statesman, Samuel Gompers, played an important part in its set-up immediately after World War I, and its first meeting took place in Washington.

The chief tools of this unique international organization are conventions and recommendations. The convention is a treaty which pledges the governments which ratify it not to allow labor standards to fall below a certain point. The conventions are not developed hastily, but after careful study and investigation. On the basis of a report by the International Labor Office, a tripartite committee prepares a draft convention which, if it is approved by one session of the Conference, is then circulated to governments. On the basis of comments and criticisms from governments, the Office then prepares a new text which comes before the next session of the Conference. This double-discussion method gives ample time for consideration, debate, and decision at home, before our representatives return to the next session of the Conference for the final vote. It safeguards the Organization from ill-advised action.

After a convention is adopted by the Conference, it is sent to the governments for ratification. The procedure here in the United States is that the Department of Labor, the Department of State, and any other Government agencies concerned consider a convention which has been adopted by the Conference and send it to the President with certain recommendations for action. After the President has considered the convention, and the recommendations of these agencies,

he prepares a statement for the Senate, transmitting to them texts of the conventions, and recommendations for action, and in the case of a favorable attitude by the administration, requesting the Senate to give its advice and consent to the ratification of the convention. In cases where concurrent action by the Senate and the House of Representatives will be necessary for the implementation of any of the conventions transmitted, he also sends the House of Representatives copies of the conventions, with a copy of his message and of the report of the administrative agencies involved. When a convention has been ratified by the Senate, it has the force of a treaty, although it is possible under the ILO constitution to revoke the ratification if circumstances seem to warrant such action.

ILO recommendations are prepared on matters which vary so much from country to country that the adoption of a treaty seems inexpedient, but which are of such importance that an international standard, even of a less binding character, seems advisable. These recommendations are used by governments as guides in framing their own laws and administrative procedures.

The administration of every member state, including our own, has the responsibility for reporting annually to the director-general of the ILO on the measures which it has taken to give effect to the conventions which it has ratified. It also has an obligation to report to the director-general at appropriate intervals, as requested by the governing body, the position of its law and practice in regard to the matters dealt with in conventions on which it has not obtained the consent of the Senate for ratification.

This does not mean that the Federal Government should, or even could, ratify every convention which has been agreed to by the ILO. The United States, being a Federal state like Canada, Australia, and a number of other nations which are members of the ILO, does not have the authority to ratify many conventions. In addressing the ILO Conference on June 20, I explained to the delegates that a large proportion of the ILO conventions deal with matters which are in whole or in part subject to the jurisdiction of our 48 individual States. The amendment of the ILO constitution in 1946 provided us with a method of dealing with such conventions. They must be referred to the States, and the States must, in turn, report to the United States Secretary of Labor on the extent to which their law and practice meet the standards of the ILO Convention. A report will then be prepared on the subject for transmittal to the ILO director-general through the Secretary of State.

There are, however, a number of important conventions which are wholly within the jurisdiction of the Federal Government of our great country. There are at the present time pending four ILO conventions on which the President has asked the Senate to give its advice and consent to ratification. They are as follows:

Convention (No. 68) concerning food and catering for crews on board ship.

Convention (No. 69) concerning the certification of ships' cooks.

Convention (No. 73) concerning the medical examination of seafarers.

Convention (No. 74) concerning the certification of able seamen.

I believe that it is extremely important that action be taken on these conventions in the immediate future. As the President said in transmitting them to the Senate:

"Some of the provisions are disappointing to those who had hoped through these instruments to raise substantially the level of standards in all member countries. It is believed, however, that general acceptance of the instruments by member countries will result in definite progress being made where

that progress is most needed. Any such progress will benefit the competitive position of American seafarers and shipowners. At the same time, participation by the United States will necessitate relatively small change in the statutes or regulations of this Government."

Ratification by the United States will be an encouragement to other governments to ratify and will have a wholesome influence in raising labor standards on merchant ships operating under the flags of many other countries. I hope that the Senate will give its approval to the ratification of these conventions in the near future.

I cannot tell you too strongly how thoroughly I believe in our active participation in the International Labor Organization, and would emphasize that such participation means action by this body on whatever conventions are suitable under Federal-State relationships for approval by the Senate. Even in cases where the standards set are below law and practice in this country, a commitment by our Government not to let our labor legislation and regulation fall below the international standards, is an important guaranty that we are participating in this international effort to raise the working and living standards of workers throughout the world.

Whenever a convention is passed, there are many countries whose actual laws and regulations are below it, and lack of ratification is generally taken to mean that the country is unwilling to raise its laws and regulations to the level of the standard. It is very difficult to explain to governments, employers, and workers in other countries that lack of ratification by any nation has been due to the pressure of other work and to the belief in that nation that its own practices are well above the level of the convention.

The Conference just concluded in Geneva approved or revised conventions and recommendations on the application of the principles of the right to organize and bargain collectively, labor clauses in public contracts, protection of wages, vocational guidance, fee-charging employment agencies, and conditions of migration for employment.

The regulation of conditions of migration for employment is clearly a matter for Federal action. I have gone over the provisions of the convention which was approved by the Conference and I believe them to be in line with our accepted practices. I feel certain that the convention will be suitable for ratification by this Government.

In fact, its ratification should be highly important for this Government. It would provide a basis in international law for making arrangements with other governments for migrants coming to this country for seasonal work which would regularize our relations with our neighbors on this subject. It would serve as a protection to our own workers when they go abroad to take jobs in other countries which have ratified it. If we ratify, that very action will serve to encourage other nations to take similar action.

I should be less than frank with the other Members of the United States Senate if I did not inform them that there was considerable comment in this year's session of the Conference regarding the slowness with which ratification has been proceeding since the end of the war.

Many of the governments attending the Conference could report in reply to this criticism that they have been occupied since 1945 with rebuilding cities laid waste by war, struggling to return to prewar levels of production, repairing fields that were ravaged by cannon and by bombs that were dropped from the air, with serious political difficulties arising out of the war, and that they have been unable to devote the necessary time to the consideration of bringing their labor

standards into conformance with the ILO conventions.

We also have been greatly occupied with postwar problems, but from the point of view of other countries, we are in a very fortunate position, situated as we are, far from the actual scenes of war. They feel that we should be able to take the time to give serious consideration to the ratification of ILO conventions. I believe that it is extremely important that we pay serious attention to our obligations to this international organization.

I must call to your attention that these obligations include not only study of the conventions and recommendations adopted by the conference and taking action on them but they also include providing adequate financial support for the ILO and for our delegations to its conferences. At the present time our contribution to the ILO budget is, on a relative basis, substantially smaller than our contribution to any other major specialized agency of the United Nations. Any adjustment in the present funds is made impossible by the fact that the Congress has imposed a monetary ceiling upon our contribution to the ILO. While any increase in our contribution should only be made after the most careful consideration, I feel certain that the present monetary ceiling should be reconsidered.

Although conventions and recommendations are among the major tools used by the ILO in the attainment of our common ends, the work of the organization since the war has been developing in a new and, I believe, a very valuable direction. The ILO has always had some members on its staff who were available for technical consultation with member states on the practical aspects and implementation of conventions and recommendations. But the group of consultants who could go out to give assistance to governments which requested expert advice on their own labor problems has always been relatively small.

During the past year the Director General of the organization has been asked by a number of governments in Europe, Asia, and Latin America for assistance with their manpower problems, and has been able to assign a larger proportion of his staff than ever before to such field work. I believe, after my conversations with representatives of governments, workers, and employers in Geneva, that these practical aspects of the ILO work should be expanded.

The organization has responded enthusiastically to the President's proposal in point IV of his inaugural address last January and has prepared proposals for carrying out the intent of the point IV program in the fields where its competence is so well recognized—statistical programs, improved labor standards, conditions of employment, and methods of locating manpower where it will do the most good. Its manpower programs, which were given first priority, should, in my opinion, be considerably expanded and intensified in response to many requests, both of those of single states and of groups of nations working together for economic reconstruction and development.

I was gratified to note from the Director General's report that the ILO had made substantial progress in developing close cooperation with the United Nations and the various specialized agencies, thus avoiding overlapping and waste and making for more effective work programs. As we proceed in the Congress on plans for implementing the technical cooperation program, I believe that we shall find that it will be advantageous from the point of view of economy and from the point of view of making the best use of the United Nations Organizations, as the President has recommended, to give substantial support to the manpower and related

programs of the International Labor Organization.

Such action would lessen the danger of economic distress and hardship to labor, and "we must never forget," as I said to the Conference in Geneva, "that labor's welfare is essential to lasting progress. Through the combined efforts of labor, private capital, agriculture, industry, governments, and international agencies, this program can effectively stimulate activity in all nations. No international agency is better prepared than the ILO in terms of experience and field of activity to assist in developing the skills and techniques vital to increased productivity and general economic development."

DEATH OF AMERICAN NEWSPAPERMEN IN AIRPLANE CRASH IN INDIA

Mr. KEFAUVER. Mr. President, I am sure most of the Members of this body share my sorrow at the loss of some of our great newspapermen in the airplane crash yesterday in India. It was tragic and terrible. Several of those who perished had been on assignments here in Washington, and were well known to many of us.

The loss of these outstanding press representatives is a heavy blow to the newspaper profession, on which the world must depend for information about conditions in far-away places. It is a loss for the millions of newspaper readers and radio listeners who had learned to give validity to reports from these sources.

We grieve at the loss of any outstanding member of the fourth estate. When that loss is multiplied by the simultaneous removal from the scene of a great number, that loss is greatly magnified. I feel that I speak the sentiments of all the Senators as well as of a large segment of American citizens when I extend our sincere sympathies to the families, friends, and professional associates of these fallen great.

NATIONAL SECURITY COUNCIL AND NATIONAL SECURITY RESOURCES BOARD—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a statement prepared by me, together with comments by the National Security Council and the National Security Resources Board upon the recommendations of the Hoover Commission.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHN L. McCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Comment of the National Security Resources Board and the National Security Council upon Hoover Commission recommendations which affect their operations was made public today by Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments.

In response to Senator McCLELLAN's request for information relative to the views of these agencies the Chairman of the National Security Resources Board, Mr. John R. Steelman, stated that Reorganization Plan No. 4 of 1949, submitted to the Congress by the President on June 20, 1949,

would implement the Commission's recommendation in its report on general management of the executive branch that the Board be made formally, as well as in practice, a part of the President's office. Reorganization Plan No. 4 transfers both the National Security Resources Board and the National Security Council to the executive office of the President.

Sidney W. Souers, executive secretary of the National Security Council, also refers to Reorganization Plan No. 4, pointing out that the Council is presently housed with the executive office, meets in the conference room at the White House, and is in practice a part of the President's office.

The National Security Council takes no stand on Hoover Commission recommendations that the President be authorized by statute to determine its membership and assignments, stating that "No administrative action has been taken with respect to the recommendations of the Commission, since substantive legislation is required for any change in the Council's statutory membership."

In reference to recommendations (recommendation No. 4, the National Security Organization) that "more adequate and effective measures be developed at the working level among the appropriate committees and the Joint Chiefs of Staff on the one hand, and the National Security Council, Central Intelligence Agency, Research and Development Board, Munitions Board, and National Security Resources Board on the other hand," Mr. Souers states that "closer coordination is being achieved" by attendance of the Director, Joint Staff, Joint Chiefs of Staff, at Council meetings and by designation of officers as representatives of the Secretary of Defense to advise, assist, and serve with the Executive Secretary of the Council on Council matters.

As to a Hoover Commission recommendation (recommendation No. 6) for preparation of plans for civilian defense and for internal security in event of war, the Council states: "Over the past year the Council, including the Attorney General as a member for this purpose, has been concerned with the broad problem of internal security. It engaged a special consultant to survey and report this matter. On March 23, 1949, the President approved a National Security Council directive on internal security * * * which establishes under the National Security Council two permanent committees, the Interdepartmental Intelligence Conference and the Interdepartmental Committee on Internal Security, to improve existing arrangements for coordination of internal security activities."

As to "vigorous steps to improve the Central Intelligence Agency," recommended by the Hoover Commission in its report on national security (recommendation No. 4) the Council reports that "last year the Council employed a special group of consultants from outside the Government to survey the Central Intelligence Agency and related intelligence problems, and report its findings to the Council. The Council has considered this survey, has taken some indicated steps for improvement and presently has under advisement additional steps to improve the Central Intelligence Agency and National Organization for Intelligence."

The Hoover Commission's recommendation (Report on Overseas Administration), that the National Security Council is "the logical agency" for a comprehensive study of United States overseas operations and administration, is rejected by the Council on the basis that advice to the President on overseas problems of that nature is not an appropriate function under the National Security Act of 1947, which provides the function of the Council is "to advise the President with respect to integration of domestic, foreign, and military policies relating to the national se-

curity," and indicates that no administrative action has been taken nor legislation proposed in this matter.

The full text of Mr. Souers's letter and statement, which concludes with a brief analysis of the Council's personnel, organization, and operations, and the letter from the National Security Resources Board follow:

NATIONAL SECURITY COUNCIL,
Washington, June 22, 1949.

HON. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments,
United States Senate,
Washington, D. C.

MY DEAR SENATOR MCCLELLAN: Your letter of May 23 has been received with its request for a detailed report relative to the reports of the Commission on Organization of the Executive Branch of the Government as they affect the National Security Council.

The information requested is forwarded herewith in the enclosure, which lists the various recommendations and textual discussions in the Commission's report affecting the National Security Council. Following each reference there is stated such additional relevant factual information, if any, as might be helpful to the Committee on Expenditures in the Executive Departments in its consideration of the Commission's proposals. There are also comments relative to prospective implementation of the Commission's recommendations, including a summary of administrative actions taken to conform to the recommendations and an analysis of any pending related legislation.

As for the request for additional data relative to subsequent legislative proposals as submitted to the Congress, it is my understanding that the Bureau of the Budget will furnish such data with respect to any subsequent legislative proposals concerning the National Security Council that may be submitted by the President to the Congress.

Your letter stated that the committee would like to be informed particularly concerning economies and efficiencies achieved through administrative action and reorganization in accord with the Commission's recommendations. The Commission made no recommendation with respect to reduction in personnel or operating costs of the National Security Council. However, in view of the committee's interest in general management, personnel management, administrative services, and budgeting and accounting, a brief statement is also attached with respect to the personnel and operations of the National Security Council.

Sincerely yours,

SIDNEY W. SOUERS,
Executive Secretary.

COMMENTS ON THE REPORTS OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT AS THEY AFFECT THE NATIONAL SECURITY COUNCIL

1. MEMBERSHIP AND DUTIES OF THE NATIONAL SECURITY COUNCIL

The Commission recommends (Rept. No. 1, H. Doc. No. 55, p. 18), that "The membership and assignment of any Cabinet committee set up to advise the President on important policy issues should be determined by the President." The same report recommends (p. 20) in discussing the National Security Council, the National Security Resources Board, and the National Advisory Council, that "the inflexible composition of these Cabinet-level committees set up by statute should be revised so as to afford a flexible framework within which the President can determine their membership and assignments." The Commission's report on the National Security Organization (Rept. No. 8, H. Doc. No. 86, p. 8) states that the President's authority has been curtailed by statutory stipulations of the membership and duties of both the National Security Council and the National Security Resources

Board—the Cabinet committees concerned with vital defense policies."

In accord with the present statutory provisions, the President authorized the Secretary of the Treasury to attend all National Security Council meetings and has from time to time designated other heads of executive departments to attend as members for Council consideration of particular items involving their respective responsibilities. In his absence the President has usually designated the Secretary of State to preside.

No administrative action has been taken with respect to the recommendations of the Commission, since substantive legislation is required for any change in the Council's statutory membership. The President's message to Congress of March 5, 1949, dealt with these recommendations by proposing that the Secretary of Defense be the sole representative of the National Military Establishment on the National Security Council. S. 1843, passed by the Senate and currently before the House of Representatives, provides for the addition of the Vice President as a member and adds the further statutory stipulation that officials of the executive branch, other than the Secretaries and Under Secretaries of executive departments, may be appointed as members by the President by and with the advice and consent of the Senate.

2. ORGANIZATIONAL POSITION OF THE NATIONAL SECURITY COUNCIL

The Commission recommends (Rept. No. 1, H. Doc. 55, p. 21) that the National Security Council and its staff "should be made, formally as well as in practice, a part of the President's office."

The Council and its staff are now housed in the old State Department building together with the Executive Office of the President. The Council meets regularly in the conference room of the White House. The executive secretary, as a member of the President's staff, briefs the President daily on matters relating to the national security. By these and other means the council is already in practice, a part of the President's office.

On June 20, 1949, the President transmitted to the Senate and House of Representatives Reorganization Plan No. 4 of 1949, with respect to the Executive Office of the President (H. Doc. No. 225). This plan proposes that the National Security Council and the National Security Resources Board be transferred to the Executive Office of the President.

3. TEAMWORK

The commission recommends (Rept. No. 8, H. Doc. No. 86, p. 19) "that more adequate and effective measures be developed at the working level among the appropriate committees of the Joint Chiefs of Staff on the one hand and the National Security Council, Central Intelligence Agency, Research and Development Board, Munitions Board, and the National Security Resources Board on the other hand."

From the time of the establishment of the Council, the Director, Joint Staff, Joint Chiefs of Staff, has frequently attended Council meetings as an assistant to the Secretary of Defense and has served as an informal consultant on the working level to the executive secretary of the Council.

Recently, the Director, Joint Staff, Joint Chiefs of Staff, has been officially designated as the Representative of the Secretary of Defense to advise and assist, as a consultant, the executive secretary of the National Security Council on Council matters, together with similarly placed consultants designated by the other Council members. Furthermore, an officer of the Joint Staff has also been designated to serve the executive secretary as a member of the NSC staff together with similarly detailed officers from the other participating departments and agencies. In this fashion closer coordination is being achieved

on the working level between the Joint Chiefs of Staff and the National Security Council.

4. INTERNAL SECURITY

The Commission recommends (Rept. No. 8, H. Doc. No. 86, p. 21) that steps be taken under the President's direction to prepare plans for civilian defense and that "similar action should be taken under the President's direction with respect to internal security. No clear allocation of responsibility has been worked out among the agencies involved. The Commission believes that the problem in this area is one of determining what needs to be done and designating administrative responsibility.

Over the past year the Council, including the Attorney General as a member for this purpose, has been concerned with the broad problem of internal security. It engaged a special consultant to survey and report to it on this matter.

On March 23, 1949, the President approved a National Security Council Directive on Internal Security, attached hereto as enclosure A. This directive establishes under the National Security Council two permanent committees, the Interdepartmental Intelligence Conference and the Interdepartmental Committee on Internal Security to improve existing arrangements for the coordination of internal security activities.

5. CENTRAL INTELLIGENCE AGENCY

The Commission recommends (Rept. No. 8, H. Doc. No. 86, p. 19) "That vigorous steps be taken to improve the Central Intelligence Agency and its work."

Last year the Council employed a special group of consultants from outside the Government to survey the Central Intelligence Agency and related intelligence problems and report its findings to the Council.

The Council has considered this survey, has taken some indicated steps for improvement, and presently has under advisement additional steps to improve the Central Intelligence Agency and national organization for intelligence.

6. ADMINISTRATION OF OVERSEAS AFFAIRS

The Commission recommends (Rept. No. 18, p. 17) that "The Congress direct a comprehensive study to be made of the entire problem of overseas operations and administration" and suggests that the National Security Council would seem to be "the logical agency" for such a study.

The National Security Act of 1947 provides that the function of the Council is to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security. * * * Advice to the President on problems of overseas operations and administration does not therefore appear to be an appropriate function of the National Security Council.

In view of the fact that the Commission's recommendation is directed to the Congress, however, no administrative action has been taken no legislation proposed on this matter.

7. PERSONNEL AND OPERATIONS OF THE NATIONAL SECURITY COUNCIL

For the information of the Committee on Expenditures in the Executive Departments, the following information concerning the personnel and operations of the National Security Council is forwarded herewith.

As provided in the National Security Act of 1947, the Council is assisted by a staff which performs necessary staff functions, including the preparation of studies and the conduct of surveys for the Council.

The NSC staff, including the executive secretary, consists of 31 individuals. Approximately one-half of them are detailed from the departments and agencies represented on the Council. The other half are permanent career employees of the Council, carefully selected on the basis of experience and qualifications and for loyalty as deter-

mined by a full FBI investigation. The organization of the staff is deliberately kept flexible so there can be an interchange of duties whenever desirable.

The Council's budget for the current fiscal year is \$200,000, the bulk of which is for personnel service of the Council staff. Administrative services for the Council are furnished by the established facilities of the General Intelligence Agency in order to obviate the necessity for creating a special administrative organization.

In addition to detailed members and permanent employees on its staff, the Council from time to time employs on a temporary basis for specific projects highly qualified consultants from outside the Government. Eight consultants have been so employed to date and have proved of great assistance in advising the Council on specialized and technical matters.

The present personnel and operations of the Council's staff represent an effort on the part of the Council to provide itself with a staff of minimum size required for the discharge of its serious responsibilities. Experience to date has demonstrated that the Council's staff is properly organized, although it is still kept in a flexible form to permit any change that future circumstances may make desirable.

NATIONAL SECURITY RESOURCES BOARD,

Washington, June 23, 1949.

HON. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures
in the Executive Departments,
United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: This is in reply to your letter of May 23, 1949, in which information is requested relative to the application of recommendations of the Commission on Organization of the Executive Branch of the Government with respect to the National Security Resources Board. With your letter you enclosed two documents based on the reports and task force appendixes of the Commission.

As you know, the Commission made no specific recommendations with regard to internal management and organization of the Board. However, following his signing the Reorganization Act of 1949 (Public Law 109) this week, the President submitted to the Congress several reorganization plans. One of these is Reorganization Plan No. 4, covering into the Executive Office of the President both the National Security Resources Board and the National Security Council.

It is believed that the President's action is pertinent to your present inquiry in view of the Commission's recommendation concerning NSRB on page 21 of its report entitled "General Management of the Executive Branch" that this agency be made, formally as well as in practice, a part of the President's Office.

The objectives sought to be achieved by plan No. 4 are fully set forth in the message to the Congress which accompanied the plan (H. Doc. 225).

Sincerely yours,

JOHN R. STEELMAN.

THE PEOPLE'S DEMOCRATIC DICTATORSHIP—ARTICLE BY MAO TSE-TUNG

MR. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks the text of an article entitled "The People's Democratic Dictatorship," written by Mao Tse-tung to commemorate the twenty-eighth anniversary of the birth of the Communist Party of China, on July 1, 1949. This is the first complete text I have seen. Because of its importance, I feel that every Member of the Senate should have an opportunity to read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PEOPLE'S DEMOCRATIC DICTATORSHIP

(By Mao Tse-tung)

July 1, 1949, means that the Communist Party of China has passed through 28 years. Like a man, it has its childhood, youth, manhood, and old age. The Communist Party of China is no longer a child or a youth in its teens, but it is an adult. When a man reaches old age, he dies. It is the same with the party. When classes are eliminated, all the instruments of class struggle, political parties, and the state apparatus will, as a result, lose their functions, become unnecessary and gradually wither away, end their historical mission, and travel toward the higher plane of the society of mankind.

We are quite different from the political party of the bourgeoisie. They are afraid to talk of abolishing classes, state authority, and the party. But we, however, openly declare that we struggle hard precisely for the creation of conditions to accelerate the elimination of these things. The Communist Party and the state authority of the people's dictatorship constitute such conditions. Anyone who does not recognize this truth is no Communist.

Young comrades who have just joined the party and have not read Marxism-Leninism may not understand the truth. They must understand this truth before they can have a correct world outlook. They must understand that all mankind has to travel along the road of eliminating classes, state authority, and party. The question is only one of time and conditions.

PREPARATION FOR WORLD COMMUNISM

The Communists in the world are more intelligent than the bourgeoisie. They understand the law of the existence and development of things. They understand dialectics and see farther ahead. The bourgeoisie do not welcome the truth because they do not want to be overthrown by the people. To be overthrown—like the Kuomintang reactionaries being overthrown by us at present and like Japanese imperialism having been overthrown by us and peoples of various countries in the past—is painful and is inconceivable to the overthrown.

For the working class, laboring people, and Communists, the question is not one of being overthrown but of working hard and creating conditions for the natural elimination of classes, state authority, and the political party, so that mankind will enter the realm of world communism. We have here touched on the perspective of the progress of mankind to explain the following questions.

Our party has passed through 28 years. Everybody knows that they were passed not peacefully, but under difficult surroundings. We had to fight against enemies within the country and abroad and within and outside the party. Thanks to Marx, Engels, Lenin, and Stalin who gave us weapons. These weapons are not machine guns by Marxism-Leninism.

Lenin in his book, *Left-Wing Communism—An Infantile Disorder*, written in 1920, described how the Russians sought for a revolutionary theory. After several decades of hardships and tribulations, they eventually discovered Marxism. Many things were the same or similar in China and Russia before the October revolution. The feudal oppression was the same. The economic and cultural backwardness was similar. Both countries were backward, and China is even more backward. Progressive people struggled hard to seek for revolutionary truth to bring about national recovery. This was the same.

WESTERN TEACHINGS SOUGHT

Since China lost the Opium War in 1840, the advanced Chinese underwent countless

tribulations seeking for the truth from the western countries. Hung Hsu-chuan, Kang Yu-wei, Yen Fu, and Sun Yat-sen represented this group of people who sought for truth from the west before the birth of the Communist Party in China.

At that time the Chinese who sought for progress read all the books that contained new western teachings. The students sent to Japan, England, America, France, and Germany reached a surprising number. Efforts were made to learn from the West. The old examination system of officialdom was abolished and schools multiplied.

What I learned in my youth were also such things. They were the culture of western bourgeois democracy, or the so-called new school of learning which included the sociological doctrines and natural sciences of that time and which were antagonistic to the culture of China's feudalism, or the so-called old school of learning. For quite a long time, people who learned the new knowledge were confident believing that it was sure to save China. Apart from people of the old school, very few of the new school expressed doubt. To save the country, the only way is to enforce reforms, and to enforce reforms, the only way is to learn from foreign countries. Of the foreign countries at that time, only the western capitalist countries were progressive. They had successfully established the modern bourgeois state.

The Chinese also wanted to learn from the Japanese. To the Chinese of that time, Russia was backward and very few people wanted to learn from her. This was how the Chinese learned from foreign countries during the period from the forties of the nineteenth century.

Imperialist aggression shattered the dream of the Chinese to learn from the West. Really strange, why do teachers always invade students? The Chinese learned much from the West, but what they learned could not be put into effect. Their ideal could never be realized. The conditions of the country worsened day by day, the environment was such that the people could not live. Doubt sprang up, grew, and developed.

The First World War shook the whole world. The Russians carried out the October Revolution, creating the first socialist country in the world. Under the leadership of Lenin and Stalin, the revolutionary energy of the great Russian proletariat and laboring people, which had lain hidden and could not be seen by foreigners, suddenly erupted like a volcano. The Chinese and all mankind then looked differently at Russians. Then, and only then, the Chinese from the fields of ideology to life entered an entirely new era. The Chinese founded the universal truth of Marxism-Leninism which holds good everywhere, and the face of China was changed.

POSSIBILITY FOR WORLD COMMUNISM CREATED

The patterns of the western bourgeoisie, the bourgeois democracy, and the pattern of the bourgeois republic all went bankrupt in the minds of the Chinese people. The bourgeois democracy gave way to the people's democracy under the leadership of the proletariat, and the bourgeois republic gave way to the people's republic. A possibility has thus been created to reach socialism and communism through the people's republic, and to attain the elimination of classes and attain world communism.

Kang Yu-wei wrote a book about world communism, but he did not and could not find the road to it. The bourgeois republic existed in foreign countries but could not exist in China, because China is a country oppressed by imperialism. The only road to the elimination of classes and to world communism is through the people's republic under the leadership of the working class.

All other things had been tried and had failed. Of those who yearned for something else, some had fallen, some had awakened to their mistake, and some are changing their minds. Events developed so swiftly that many people felt surprised and the need to learn anew. This state of mind of these people is understandable and we welcome such good intentions to learn anew.

The vanguards of the Chinese proletariat learned Marxism-Leninism after the October revolution and established the Communist Party of China. Following this, it entered into political struggle and traveled a zigzag path for 28 years, before gaining a basic victory.

From the experiences of 28 years, just as from the experiences of the 40 years in the will of Sun Yat-sen, a common conclusion has been already reached, namely: "The firm belief that to attain victory we must awaken the masses of the people and unite ourselves in a common struggle with those peoples of the world who treat us on the basis of equality."

Sun Yat-sen has a different world outlook from us, and started out from a different standpoint to observe and deal with problems, but on the problem of how to struggle against imperialism in the 1920's of the twentieth century, he arrived at a conclusion which was in basic agreement with ours.

TRAVEL THE ROAD OF THE RUSSIANS

The Chinese found Marxism through the introduction of the Russians. Before the October revolution, the Chinese not only did not know Lenin and Stalin, but also did not know Marx and Engels. The gunfire of the October revolution sent us Marxism-Leninism. The October revolution helped the progressive elements of the world and China to use the world outlook of the proletariat as the instrument for observing the destiny of the country and reconsidering their own problems. Travel the road of the Russians—this was the conclusion.

In 1919 the May 4 movement occurred in China, and the Communist Party of China was formed in 1921. During his period, Sun Yat-sen came across the October revolution and the Communist Party in China. He welcomed the October revolution, welcomed Russian help to Chinese, and welcomed the Communist Party of China to cooperate with him.

Sun Yat-sen died, and Chiang Kai-shek came into power. During the long period of 22 years, Chiang Kai-shek dragged China into hopeless straits. At this period, the anti-Fascist Second World War, with the Soviet Union as its main force, defeated three big imperialist powers, weakened two other big imperialist powers, and only one imperialist country in the world, the United States of America, suffered no loss. However, the domestic crisis of America was very grave. She wanted to enslave the entire world, and she aided Chiang Kai-shek with arms to slaughter several millions of Chinese. Under the leadership of the Communist Party of China, the Chinese people, after having driven away Japanese imperialism, fought the people's war of liberation for 8 years and gained a basic victory.

TWO BASIC EXPERIENCES GAINED

Twenty-four years have elapsed since Sun Yat-sen's death, and under the leadership of the Communist Party of China, Chinese revolutionary theory and practice have made big strides forward, fundamentally changing the features of China. Up to the present, the Chinese people have gained the following two basic experiences:

1. To awaken the masses in the country. This is to unite the working class, the peasant class, the petty bourgeoisie, and the national bourgeoisie into a united front under the leadership of the working class and develop into a state of the people's demo-

cratic dictatorship, led by the working class, with the alliance of workers and peasants as its basis.

2. To unite in a common struggle with those nations of the world who treat us on the basis of equality and the peoples of all countries. This is to ally with the Soviet Union, to ally with the new democratic countries of Europe, and to ally with the proletariat and masses of the people of other countries to form an international united front.

"You lean to one side." Precisely so. The 40 years' experience of Sun Yat-sen and the 28 years' experience of the Communist Party have made us firmly believe that in order to win victory and to consolidate victory, we must lean to one side. The experiences of 40 years and 28 years show that, without exception, the Chinese people either lean to the side of imperialism or to the side of socialism.

NO THIRD ROAD EXISTS

To sit on the fence is impossible. A third road does not exist. We oppose the Chiang Kai-shek reactionary clique who lean to the side of imperialism. We also oppose the illusion of a third road. Not only in China but also in the world, without exception, one either leans to the side of imperialism or the side of socialism. Neutrality is a camouflage, and a third road does not exist.

"You are too provoking." We are talking of how to deal with domestic and foreign reactionaries, that is, imperialists and their running dogs, and not of any other people.

With regard to foreign and democratic reactionaries, the question of provoking does not arise, for whether there is provoking or not does not make any difference as they are reactionaries.

Only by drawing a clear line between reactionaries and revolutionaries, only by exposing the designs and plots of the reactionaries, arousing vigilance and attention within the revolutionary ranks, and only by raising our own morale and taking down the arrogance of the enemy can the reactionaries be isolated, conquered, or replaced.

In front of a wild beast you cannot show the slightest cowardice. We must learn from Wu Sung (one of the 108 heroes in the famous historical novel *All Men Are Brothers*) who killed a tiger on the Chingyang Ridge. To Wu Sung, the tiger on the Chingyang Ridge will eat people all the same whether you provoke it or not. You have to choose between the alternatives of either killing the tiger or being eaten by it.

DIPLOMATIC RELATIONS BASED ON EQUALITY

"We want to do business." Entirely correct. Business has to be done. We only oppose domestic and foreign reactionaries who hamper us from doing business, and do not * * * people. It should be known that it is not any other than imperialists and their lackeys, the Chiang Kai-shek reactionary clique, who hamper us from doing business with foreign countries and even hamper us from establishing diplomatic relations with foreign countries.

Unite all forces at home and abroad to smash domestic and foreign reactionaries and there will be business, and the possibility of establishing diplomatic relations with all foreign countries on the basis of equality, mutual benefits, and mutual respect of territorial sovereignty.

"Victory is also possible without international aid." This is an erroneous thought. In the era when imperialism exists, it is impossible for the true people's revolution of any country to win its own victory without assistance in various forms from international revolutionary forces, and it is also impossible to consolidate the victory even when it is won. The great October revolution was thus won and consolidated as Stalin had told us long ago. It was also in this way that

the three imperialist countries were defeated and the * * * in the east Europe liberated. This is and will be the case with the People's China at present and in the future.

Let us think it over. If the Soviet Union did not exist, if there were no victory of the anti-Fascist Second World War, and especially, for us, no defeat of Japanese imperialism, if the various new democratic countries of Europe did not come into being, if there were no rising struggles of the oppressed nations in the west, if there were no struggles of the masses of peoples in the United States, Britain, France, Germany, Italy, Japan, and other capitalist countries against the reactionary clique ruling over them, and if there were no sum total of these things, then the international reactionary forces bearing down on us would surely be far greater than that at present.

Could we have won victory under such circumstances? Obviously not. It would also be impossible to consolidate the victory when it was won. The Chinese people have had much experience about this. The remark made by Sun Yat-sen before his death about joining hands with international revolutionary forces reflected this experience long ago.

NO NEED FOR UNITED STATES-BRITISH AID

"We need the aid of the British and American Government." This is also a childish thought at present. At the present time, rulers in Britain and the United States are still imperialists. Will they extend their aid to a people's state? If we do business with these countries, or supposing that these countries are willing in the future to lend us money on the condition of mutual benefits, what is the reason for it? This is because the capitalists of these countries want to make money. The bankers want to gain interest in their own crisis; theirs is no aid to the Chinese people.

The Communist Parties and progressive parties and groups in these countries are now working to bring about business with us, and even to establish diplomatic relations with us. This is well meant, this is aid, and this cannot be spoken of in the same breath together with the acts of the bourgeoisie in these countries.

During his lifetime, Sun Yat-sen had many times appealed to the imperialist countries for aid. The outcome was futile and instead met with merciless attacks. In his lifetime, Sun Yat-sen received international aid only once and that was from the U. S. S. R. The reader can refer to the will of Dr. Sun, in which he did not ask the people to look for aid from imperialist countries, but earnestly bade them to unite with those peoples of the world who treat us on the basis of equality. Dr. Sun had had the experience: had been duped. We must remember his words and not be duped again.

Internationally, we belong to the anti-imperialist front, headed by the U. S. S. R., and we can only look for genuine friendly aid from that front, and not from the imperialist front.

You are dictatorial. Yes; dear gentlemen, you are right and we are really that way. * * * The experiences of several decades amassed by the Chinese people tell us to carry out the people's democratic dictatorship, that is, the right of reactionaries to voice their opinion must be deprived, and only the people are allowed to have the right of voicing their opinions.

Who are the "people" at the present stage in China? They are the working class, the peasants, the petty bourgeoisie, and the national bourgeoisie. Under the leadership of the working class and the Communist Party, these classes unite together to form their own state and elect their own government to enact dictatorships over the lackeys of imperialism—the landlords, the bureaucratic class, and the Kuomintang reactionaries

and their henchmen, representing these classes to oppress them and only allow them to behave properly and not allow them to talk and act wildly. If they talk and act wildly they will be prohibited and punished immediately.

The democratic system is to be carried out within the ranks of the people, giving them freedom of speech, assembly, and association. The right to vote is given only to the people and not to the reactionaries. These two aspects, namely, democracy among the people and dictatorships over the reactionaries, combine to form the people's dictatorship.

Why should it be done this way? It is very obvious that if this is not done, the revolution will fail, the people will meet with woe and the state will perish. "Do you not want to eliminate state authority?" Yes; but not at present. We cannot eliminate state authority now. Why? Because imperialism still exists, the domestic reactionaries still exist, and classes in the country still exist. Our present task is to strengthen the people's state apparatus, which refers mainly to the people's army, people's police, and people's court, for national defense and protection of the people's interests, and with this condition, to enable China to advance steadily, under the leadership of the working class and the Communist Party, from an agricultural to an industrial country, and from a new democratic to a Socialist and Communist society, to eliminate classes and to realize world communism. The army, police, and court of the state and instruments for classes to oppress classes. To the hostile classes, the state apparatus is the instrument of oppression. It is violent, and not "benevolent." "You are not benevolent." Just so. We decidedly do not adopt a benevolent rule toward the reactionary acts of the reactionaries and the reactionary classes.

We only adopt a benevolent administration among the people and not toward the reactionary acts of the reactionaries and reactionary classes outside the people.

The people's state protects the people. Only when there is the people's state is it possible for the people to use democratic methods on a nation-wide and all-around scale to educate and reeducate themselves, to free themselves from the influence of reactionaries at home and abroad (this influence is at present still very great and will exist for a long time and cannot be eliminated quickly—NCNA) to unlearn the bad habits and thoughts acquired from the old society and not let themselves fall on the erroneous path pointed out by the reactionaries, but to continue to advance and develop toward a Socialist and a Communist society.

The methods we use in this field are democratic, that is, methods of persuasion and not coercion. When people break the law, they will be punished, imprisoned, or even sentenced to death. But these are some individual cases and are different in principle from the dictatorship over the reactionary class as a class.

REEDUCATION WORK

After their political regime is overthrown, those of the reactionary classes and the reactionary clique will also be given land and work and a means of living to reeducate themselves anew through work, provided they do not rebel, disrupt, or sabotage. If they are unwilling to work, the people's state will compel them to work.

Furthermore, political work, propaganda, and educational work will be carried out among them, and moreover, carefully and adequately, as we did to captured officers. This can also be said to be benevolent administration, but this is what we enact through compulsion to those of a formerly hostile class, and it * * * be mentioned, beside concrete education work among revolutionary people.

Such reeducation of the reactionary classes can only be carried out in the state of the people's democratic dictatorship. If this work is well done, the main exploiting classes of China—the landlord and bureaucratic capitalist classes—will be finally eliminated.

As for the remaining exploiting class, the national bourgeoisie, much appropriate education work can be carried out among many of that class at the present stage. When socialism is realized, that is when the nationalization of private enterprises will be carried out, they can be further educated and reeducated. The people have in their hands a powerful state apparatus and are not afraid of the rebellion of the national bourgeois class.

The grave problem is that of educating peasants. The peasant economy is scattered. According to the experiences of the Soviet Union, it requires a very long time and careful work to attain the socialization of agriculture. Without the socialization of agriculture, there will be no complete and consolidated socialism.

IMPORTANCE OF WORKING CLASS

The revolutionary dictatorship and the counterrevolutionary dictatorship are opposite in nature. The former learned from the latter. This learning is very important, for if the revolutionary people did not learn the methods of ruling over counterrevolutionaries, they would not be able to maintain their regime, which would be overthrown by the reactionary cliques at home and abroad. The reactionary cliques at home and abroad would then restore their rule in China and bring woe to the revolutionary people.

The basis of the people's democratic dictatorship is the alliance of the working class, the peasant class, and the urban petty-bourgeois class, and is mainly the alliance of the working class and the peasant class because this class constitutes 80 to 90 percent of the Chinese population. It is mainly the strength of these two classes which overthrows imperialism and the Kuomintang reactionary clique. The passing from the new democracy to socialism mainly depends on the alliance of these two classes.

The people's democratic dictatorship needs the leadership of the working class, because only the working class is most farsighted, just, unselfish, and richly endowed with revolutionary thoroughness. The history of the entire revolution proves that without the leadership of the working class, the revolution is bound to fail, and with the leadership of the working class, the revolution is victorious.

In the era of imperialism, no other class in any country can lead any genuine revolution to victory. This is clearly proved by the fact that the Chinese national bourgeois class led the revolution many times and failed.

The national bourgeois class is of great importance at the present stage. Imperialism is still standing near us, and this enemy is very fierce. A long time is required for China to realize true independence economically. Only when China's industries are developed, and China no longer depends on foreign countries economically, can there be real independence.

The proportion of China's modern industry in the entire national economy is still very small. There are still no reliable figures at present, but according to certain data, it is estimated that modern industry only occupies about 10 percent of the total production output in the national economy of the whole country.

To cope with imperialist oppression, and to raise the backward economic status one step higher, China must utilize all urban and rural capitalist factors which are beneficial and not detrimental to the national economy and the people's livelihood, and unite with the national bourgeoisie in the common struggle.

CAPITALISM WILL PLAY MINOR PART

Our present policy is to restrict capitalism and not to eliminate it. But the national bourgeois class cannot be the leader in the revolutionary united front, and also cannot occupy the main position in the State. The national bourgeois class cannot be the leader of the revolution and should not occupy the main position in the institutions of the State, because the social and economic status of the national bourgeois class has determined its feebleness, its lack of foresight, its lacking in boldness, and fear of the masses by many of them.

Sun Yat-sen advocated "awakening the masses" or "helping the peasants and workers." Who is going to awaken and help them? To Sun Yat-sen this meant the petty bourgeoisie and the national bourgeoisie. But this is in fact unfeasible. Sun Yat-sen's 40 years of revolutionary work was a failure. Why? Because in the era of imperialism it is impossible for the petty bourgeoisie and national bourgeoisie to lead any real revolution toward success.

Our 28 years were entirely different. We had plenty of invaluable experiences, and the following were our three main experiences: (1) A party with discipline, armed with the theories of Marx, Engels, Lenin, and Stalin, employing the methods of self-criticism, and linked up closely with the masses; (2) an army led by such a party; (3) a united front of various revolutionary strata and groups led by such a party.

These mark us off from our predecessors. On these three things we have won the basic victory. We have traversed tortuous paths and struggled against rightist and leftist and opportunistic tendencies within the party.

DIFFICULT ROAD AHEAD

Whenever serious mistakes were committed in these three things, the revolution suffered set-backs. The mistakes and set-backs taught us, making us wiser. Thus, we were able to do better work. Mistakes are unavoidable for any party or person, but we demand that less mistakes are committed. When a mistake is committed, correction must be made: The quicker and the more thoroughly the better.

Our experiences may be summarized and boiled down into the following single point—the people's democratic dictatorship based on the workers' and peasants' alliance led by the working class (through the Communist Party—NCNA). This dictatorship must unite in concert with international revolutionary forces. This is our formula, our main experience, our main program.

In the 28 years of the party we have only done one thing, and that is, we have won the basic victory. This is worth celebrating because it is the people's victory and a victory in a large country like China.

But there is plenty of work before us, and like walking, what has been done in the past is simply the first step in the 10,000-mile-long march. Remnants of the enemy have still to be wiped out, and the grave task of economic construction lies before us.

Some of the things with which we are familiar will soon be laid aside, and we are compelled to tackle things with which we are unfamiliar. This is difficult. The imperialists bank on the belief that we are unable to tackle our economic work. They look on and wait for our failure.

We must overcome difficulties, and master what we do not know. We must learn economic work from all who know the ropes (no matter who they are—NCNA). We must acknowledge them as our teachers, and learn from them respectfully and earnestly. We must not pretend that we know when we do not know. Do not put on bureaucratic airs. Stick to it, and eventually it will be mastered in a few months, 1 or 2 years, or 3 to 5 years.

At first, many of the Communists in the U. S. S. R. also did not know how to do economic work, and the imperialists also waited for their failure. But the Communist Party of the Soviet Union won. Under the leadership of Lenin and Stalin they not only could do revolutionary but also reconstruction work. They have already built up a great and brilliant Socialist state.

The Communist Party of the U. S. S. R. is our best teacher, from whom we must learn. We can wholly rely on the weapon of the people's democratic dictatorship to unite all people throughout the country except the reactionaries, and advance steadily toward the goal.

CAPT. JOSEPH G. FEENEY

Mr. BRIDGES. Mr. President, I desire to say a word in commendation of the President's appointment of Capt. Joseph G. Feeney as his legislative assistant.

Captain Feeney is well known to Members of the Senate who for a period of years closely observed the Captain's able work as a Navy Department attaché in the Senate Office Building. We are all deeply appreciative of his understanding of the problems which were laid before him from time to time and of the cooperative manner which was typical of his visits to our offices. Captain Feeney was an able naval officer and I am sure will be a help to the President in his new position. His friendly personality will be welcomed again here on the Hill, and I wish him well in his new work.

NEED FOR INCREASED COMPENSATION FOR POSTAL EMPLOYEES

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I have received from a postal employee in the State of Oregon, pointing out the serious consequences which will flow from the failure of the Congress at this session to pass a fair pay-increase bill for the postal employees of the Post Office system. No one can read this letter without recognizing the fact that our failure to act on this and similar issues at this session of Congress will have a serious effect on human lives throughout the Nation. All I wish to say is that I hope the Members of my party will not adopt a course of action of false economy in respect to appropriation bills which involve the livelihood of Government employees. The Post Office employees are entitled to a fair increase in salary, and I hope that Mr. Cadwell's letter will impress Members of the Senate with the need for such an increase.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PORTLAND, OREG., June 29, 1949.

HON. WAYNE MORSE,
Senator From Oregon,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR MORSE: A person begins to feel that you are the only friend we have left in Congress. I am referring to your past and present cooperation on behalf of postal families throughout the Nation. It is heart-breaking to see the procrastination of the House and Senate Post Office and Civil Service Committees regarding the much-needed salary legislation we have been begging for with the only means at our disposal.

Maybe my letter will ring a familiar sound, because we have corresponded back and forth several times in the past. If you can possibly get the floor I beg of you to read the following in the Senate:

This is an urgent appeal to all the Members of the Senate from a Navy veteran, college graduate, postal clerk for more than 7 years, father of three children, and a lieutenant in the Volunteer Naval Reserve, serving without pay. Since my release from the naval service in June of 1946 it has been a losing battle to establish myself as a home owner able to provide at least a minimum existence for my wife and children on the pitifully inadequate pay of a postal clerk. We finally were able to build a double garage to live in with the hopeless dream that some day we might continue to build a home alongside so that our American children might have an American home in this rich America which so freely provides billions for foreign food and shelter, and at the same time holds out an almost empty palm of crumbs to the pleading hundreds of thousands of members of postal families.

Have any of you Senators been forced to live in a double garage while working for the richest Nation on the face of the earth? Have any of you come home at midnight from work to find your wife, who is expecting a child, and your two children lying unconscious in a double garage as a result of carbon monoxide from the heating stove? I have—and I am a United States postal employee at the mercy of the Congress of the richest country on the face of the earth. I almost lost my entire family in the aforementioned event. I saw the resultant pneumonia and anemia that followed. I saw doctor bills and living costs soar beyond my reach. I have seen even greater sickness because of no funds to provide at least a little preventative medical attention. And in proof of this the eminent Dr. Bilderback, head of the children's clinic in Portland, Oreg., recently advised us that our youngest daughter is suffering from malnutrition brought on by living in the small confines of a double garage, leaving her in a highly nervous state. She is also suffering from anemia, flat feet, and a crooked back—all brought on by this malnutrition and substandard of living due to the poor income of a postal clerk to provide proper food, medical attention, and a proper home. That child is only 2½ years old—what kind of future life have you men of Congress in view for her—it's up to you.

The health and possibly the lives of my children and those of thousands of other postal families may lie in your hands. Congress is entirely responsible for the living conditions of all of us postal families. We are not asking for surpluses or luxuries—just a reasonable American existence. Can any one of you count how many new suits you have purchased in the last 3 years. Can any one of you enumerate how many new dresses your wife has bought in the past 3 years. Maybe you can't, but I can, because since my release from the Navy 3 years ago my wife has been able to purchase one wash dress and I have yet to be the proud owner of a new suit. We all wear hand-me-down clothes—and those are the only so-called new things we have. This is the existence of a native American family, whose head is a Navy veteran working in a responsible position in the only money-making department of the Government.

We postal families are decent, skilled, and educated people. We have a solid, religious, American family life—a strong link in the backbone of a better America. Help us keep faith with you, our fellow Americans, and get S. 1772 in the Senate and passed without any more inexcusable delay.

Mr. MORSE, if my appeal is in order and it is possible for you to read that above in the

Senate, you will have my continued gratitude—my esteem for you as a real representative of the people is already unsurpassed—and I am a Democrat at that.

Respectfully yours,

JACK W. CADWELL.

THE EXCISE TAX ON FURS

Mr. WILEY. Mr. President, I send to the desk a statement which I have prepared on the subject of repeal of the nuisance excise tax on furs. I ask unanimous consent that it be printed in the body of the CONGRESSIONAL RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMMENTS BY SENATOR WILEY ON EXCISE TAX REPEAL ON FURS

On previous occasions in the Senate, I have called attention to the critical burden on American industry which is presented by nuisance excise taxes. As my colleagues will recall, I had introduced an amendment to S. 2023 for comprehensive excise tax repeal, as well as a bill, S. 1029, for tax reduction. I have pointed out in previous comments how vigorously the people of Wisconsin support this effort to rid them of the burden which has plagued them and the other 47 States for so long.

I should like at this time to comment upon one particular industry which has felt the ruinous impact of wartime excises. I refer to the fur industry—both as regards fur breeding, in which Wisconsin plays so important a role, and retail sales. Within the past hour, for example, I have received a letter from a furrier in Oshkosh, Wis., stating:

"Since February 28 we have not sold a coat, a startling difference from other years when people bought furs in every month of the year."

Also within the last few moments, I received a fine letter from the able president of the American Fur Breeders Association, whose headquarters are in Wausau, Wis. I refer to Dr. L. J. O'Reilley. Dr. O'Reilley commented upon the chaotic market of the fur industry. He kindly endorsed my efforts for excise tax repeal, and emphasized how essential it is to achieve this objective in the form of bill H. R. 3905, as amended.

Earlier today, I was happy to confer in my office with the chairman of the National Fur Tax Committee, Mr. Julius Green, of New York. He pointed out to me the problems of the fur industry, and indicated how urgent and how crucial is the battle to relieve this industry of the terrible burden upon it.

The men who know the fur industry best have written to Members of Congress pointing out their plight. They are not asking any special favor. All they are asking is that the Congress take off a burden which is harmful to their industry and to the American people. Surely America is not benefited when a whole industry is smashed because of ruinous taxes. Surely the Federal Treasury is not benefited when wartime taxes are so high that consumer purchases are discouraged.

At this time, I should like to have some prominent fur people speak up on this issue for themselves, as contained in their telegrams and letters to me. I ask unanimous consent that certain communications which I have received be printed at this point in the CONGRESSIONAL RECORD, starting off with a telegram which I received from the aforementioned Mr. Julius Green.

NEW YORK, N. Y., July 4, 1949.

HON. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

You undoubtedly know that on June 30 the Senate Finance Committee passed

amendment H. R. 3905 to amend section 3121 of the Internal Revenue Code. This amendment calls for the reduction of the wartime 20-percent Federal excise tax on furs to 10 percent.

I respectfully urge you on behalf of the entire fur industry of the United States to vote in favor of this bill, as our industry is suffering indescribable hardship as a result of consumer resistance to the outlived 20-percent war levy.

Our organization is national and takes in farmers, trappers, breeders, traders, dressers, dyers, dealers, retailers, and dozens of other byproduct interests as well as about half a million workers throughout the country who are mostly idle at this time and on unemployment relief, in addition to white-collar employees. The number connected with the entire industry undoubtedly mounts into the millions. There is hardly a State where there is not a great percentage of the population who do not depend on the fur industry for a livelihood. Fur garments are an essential part of the well-being and warmth for the women of America.

It is my firm belief that this tax decrease will more than double the purchasing power and thereby incur no revenue loss to the Government.

Your approval of this amendment will earn the deep gratitude of your constituents and of the country at large.

Sincerely,

NATIONAL FUR TAX COMMITTEE,
JULIUS GREEN, Chairman.

A furrier in Milwaukee writes:

"You undoubtedly know that June 30 the Senate Finance Committee passed amendment H. R. 3905 to amend section 3121 of the Internal Revenue Code. This amendment calls for the reduction of the wartime 20-percent Federal excise tax on furs to 10 percent.

"I respectfully urge you on behalf of the entire fur industry of the United States to vote in favor of this bill, as our industry is suffering indescribable hardships as a result of consumer resistance of the outlived war levy of the 20-percent tax.

"Our industry included farmers, trappers, breeders, traders, dressers, dyers, dealers, retailers, small manufacturers, and dozens of other byproduct interests as well as about half a million workers throughout the country, most of whom are idle at this time and on unemployment relief, as well as white-collar employees. The number connected with the entire industry undoubtedly mounts into millions.

"There is hardly a State where there is not a great percentage of the population who do not depend upon the fur industry for a livelihood. Fur garments are an essential part of the well-being and warmth for the women of America.

"It is my firm belief that this tax decrease will more than double the purchasing power and thereby no revenue loss to the Government. Your approval of this amendment will earn the deep gratitude of your constituents and of the country at large."

A furrier in Sheboygan writes:

"The day is gone when people are buying an article without considering the price and what they are paying for. And, they just don't want to pay the tax on furs, so they don't buy them.

"Last year our fur business was nil. We would have been better off if we would have had no fur coats in our store at all.

"Unless the excise tax on furs is lifted, or greatly reduced, we will not stock taxable furs at all for the coming season.

"The issue has been so beclouded by repeated publicity of excise taxes being removed or reduced, that we believe it imper-

ative to take some action to clear the situation.

"To add to the confusion, the Revenue Department now considers certain types of fur coats as being tax exempt. This is a very complicated formula and it is very difficult to explain to the customer why some fur coats are tax free and others are not."

A furrier in Appleton writes:

"I desire to make clear my approval of the Senate Finance Committee's action of June 30, 1949, concerning the reduction of the retail excise tax to 10 percent. It has been a burden long enough and should be reduced.

"Many of my customers have voiced their opinion that they believe the war taxes should not be carried over into the present as a method of taxation. It is a great burden on the customer to pay an additional 20 percent to receive a good that is worth only the material and labor plus a fair rate of return.

"This tax has kept the fur industry at a disadvantage while other industries received subsidies. We feel that our position of inequality must be adjusted now.

"I heartily approve of Senator JOHNSON's amendment and hope that the Senate of the United States will remove this impediment to a return to a normal market."

A furrier in Oshkosh writes:

"We are in the fur business—buying raw skins from trappers and small dealers and also having money invested in a mink ranch.

"I need not tell you about the terrific slump in the fur business all the way from the trapper to the manufacturer for you are probably bombarded with complaints from a number of constituents.

"This letter is for the purpose of letting you know that your battle on our behalf for a reduction of the fur tax and a curb on foreign dumping of skins here is being watched and appreciated. We hope that you and Senator MCCARTHY will not cease the fight until it is won and we hope that that can be accomplished during the present session of Congress.

"The fur trade—and I'm speaking now for fur buyers like ourselves and small mink ranchers—has taken a beating the past few years and the future looks worse unless that tax is reduced or eliminated. Certainly a fur coat selling say for \$400 or less should not be considered a luxury—it is a necessity for plenty of working girls.

"Thank you again for your efforts in our behalf and I hope they add up to success before this session of Congress adjourns."

AMERICAN CONTRIBUTIONS TO WESTERN EUROPEAN SECURITY

Mr. THOMAS of Utah. Mr. President, on July 8, for myself and the Senator from Illinois [Mr. DOUGLAS], I introduced in the Senate Concurrent Resolution No. 52 which outlines plans for procedures and actions which will modify the Charter of the United Nations. If the United Nations Charter should be modified as the resolution suggests, it would tend toward overcoming the veto, making the Security Council stronger and guaranteeing the universality of the Charter. It was deemed best not to bring up the resolution for action while the Atlantic Pact was being considered, but at the time of the preparation of the resolution in March, I prepared a statement to be used in connection with consideration of the resolution. Mr. President, I now ask unanimous consent that this statement, prepared in March 1949, be made a part of my remarks and inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ELBERT D. THOMAS IN CONNECTION WITH THE INTRODUCTION OF A RESOLUTION ON AMERICAN CONTRIBUTIONS TO WESTERN EUROPEAN SECURITY

Mr. President, the North Atlantic Pact has been signed. It will come before us in a formal way whenever the President of the United States deems it proper to send it to the Senate. The signing of the pact represents the culmination of a series of efforts on the part of nations to attempt to provide a substitute for war. It has behind it many theories. The regional nature of the pact might imply a divided world but the continuous reference to the United Nations leaves the pact in a universal realm based upon the concept of one world.

No matter what the world is politically, even if nations divide up into economic blocks, the world nevertheless remains one economically. Whether trade shall be carried on freely between people unhampered by national restraint or carried on only under the auspices of nations in the international sphere remains to be seen. The ideal in accordance with American theory if not practice—a theory based upon the notion of American Dollar Democracy—leaves the ideal of the one world, economically speaking, the primary purpose of the pact. It recognizes first of all the vast community of interest among whom in theory an aggressor will not arise. The secondary aspect of the pact represents the theory that there may be aggression from without this community of interest and that the aggressor can be stopped and even put down if there is unity backed by force of the nations of the same community of interest. The pact invites a continuous adhesion of other states. Therefore, the community of interest can be world wide. Thus the pact, in reality, represents the basic theory advanced during the First World War and afterward that war anywhere is of concern to all everywhere.

As far as the pact goes an aggressor in international law has now become defined and the theory that nations may unite to throw the preponderant force against an aggressor state is accepted as fundamental. Thus the nations which have signed the pact have accepted in toto the theory of the possibility of an enforced peace depending upon the use of strength in a united way against an erring state or an attacking aggressor. These theories themselves mark definite strides in the onward march of nations in an attempt to stop war. Those strides are consistent with what was said by the great statesman a generation ago who pointed out that war anywhere was a concern to all anywhere. Or to quote it briefer, war is of concern to all. It also accepted the theory which was then pointed out by this same great statesman that government always, in its final analysis, rests upon force. The force need not be expressed and the theory of the pact is that it will never be expressed. In our own constitutional development we in America have learned that while all of our institutions are backed in theory by force, force is seldom called upon in our contests between our States or between a State and the whole nation. Thus the peaceful process is substituted for force which has been proved a possibility in the Federal experience of the United States. The hope for the pact is that that possibility will be proved in an international sphere. Thus, all that has been done is consistent with what has gone before, since the theory of force cannot be removed from government without destroying government. Since the theory of force therefore cannot be removed from international control without destroying that control it is in the nonexercise of this theory that the

world's hope, the real desire of nations, will be fulfilled.

Now let us review what we in America have done toward bringing us to this position. It can be done step by step and it may be done step by step to the advantage of the thinking of all. Not every step will be repeated in these few remarks but the outstanding ones toward the development of this theory will be pointed out. First of all, World War I proved the fallacy of what was called the balance of power. Peace, depending on a balance, was destroyed the minute there was a preponderant weight on one side of the balance. The development of the war between Germany and France into a World War and then our own entrance into the war, the invention of the submarine, the use of the airplane, the zeal with which nations, far removed from the center of the fight, came to the aid of allies, to use their own expression, were probably thinking desperately of their own "self-interest." Nations who need not have been parties to the conflict inevitably soon became parties. In the beginning and later, with our entrance, the whole world became aflame. And while many of our people refused to accept the theory that war was of universal concern, the notion of our not being drawn in prevailed in the thinking of our people. Still, as we look back, we realize that those who saw the actual conditions recognized the truth.

In rapid succession there was developed the theory for an enforced peace after the war came to an end, the theory of a League of Nations to enforce the peace, the World Court to settle the disputes, and the machinery of government to preserve in a common interest has a definite reference in the Atlantic Pact. But to preserve the territorial integrity a sovereign independent nation has is reflected not only in the League of Nations Covenant but also in the United Nations Charter. Alliances were still to be deemed, especially by America, as probably bad even though we were able to outlaw the secret alliances. Americans will always, because of their early heritage, take the stand that regional pacts, League of Nations Covenants, United Nations Charters, and agreements for universal action are in reality not alliances and they definitely are not alliances in the old way in which the nations accepted the theory of the offensive and defensive alliance technique. War for the purpose of advancing a national interest has been outlawed by an almost universal treaty. War as an instrument of national accomplishment remains outlawed and with the condemnation of the aggressor, as we have it in the Atlantic Pact, war as an instrument for the advancement of a national interest remains outlawed. Therefore, if we call the pact an alliance, it is an alliance only in the sense of the new concept of international law which in theory at least bans war as a proper process to be used by a nation in obtaining its objects. In this mere recital comes a condemnation of the acts of aggression carried on by Mussolini, Hitler, Tojo, and their allies. Those dictators refused to accept the theory of the nonuse of war in the accomplishment of a national objective. The world has legally contained the action of the aggression of the Second World War. It therefore infers a condemnation of the actions of any future aggressor and in addition to that, the democratic nations of the world surely condemn any state which has control by a single will. In other words, it matters not how much we may point out that there is inconsistency in what the world is doing or may be doing. The fact remains that those states where nations act for and in behalf of the wills of their peoples have become the states which are recognized as the forward-looking among the nations. Single-will action is despotism. It is an in-

itation to tyranny. It represents the ease with which former aggressors have been able to act. Therefore, states thus organized received justly the condemnation of the states where the peoples will should prevail.

In another way, then, the Atlantic Pact represents an almost universal acceptance of a concept of popular sovereignty. How, then, could America stand in any other place than the place she stands today in not only supporting and furthering, if not actually leading, in the culmination of that past and the universal acceptance of the theory behind it. Now, we have not reached the ideal. That can come only through actually living the near ideal.

I have read lately that an act of Massachusetts passed in the early seventeenth century which forbade settlement in Massachusetts of the residents of Rhode Island has just been repealed. I am sure there was no need of that repeal. The facts, the conditions, the theory of our Federal system made the old law, if it was a law, a dead letter; and if we will live the theory of the pact, the force element in it may soon become a dead letter.

Why were the American States so interested in each one having military rights and privileges? Was it entirely against foreign aggressors they were thinking? No; even we of the United States were suspicious of one another, and we did fight a war between States. But such a recurrence, possible still in theory, seems utterly absurd in fact. Why? It is because we have learned how to live in such a way that the preponderant will or the preponderant force, if you please, of the United States is turned against an erring individual State. The will of a Supreme Court decision is not questioned; neither is a resort to arms for its enforcement. Thus, the processes of peace move forward. America rejected the League Covenant. She did not adhere to the World Court. We were late in becoming a member of the International Labor Organization. Thus, America has been slow in moving into world organizations. In fact, we made definite stands against it and attempted other techniques in our aim to preserve peace in the world.

In 1935 we resorted to an enlarged concept of our former theory of neutrality in an attempt to preserve peace of the world.

In 1935-36, when we were discussing the Neutrality Act, I offered an amendment which provided for a consultation among neutrals before we should act alone in attempting to stay aloof from a controversy by withholding arms from nations which resorted to war. If we had united neutrals in an action against an aggressor or against states resorting to war, we could have then used the preponderant force of antiwar nations against an aggressor.

The mandatory nature of the Neutrality Act, and the fact that neutrality was generally interpreted as meaning impartiality, caused new embarrassment which we extended to act equally upon the aggressor, as well as the victim of aggression. Then, too, we deemed that the Neutrality Act did not extend to civil strife. When the Spanish Civil War broke out, we discussed the necessity of modifying the act. We did not change the mandatory nature of the act. Therefore, in extending the act to civil war, we inadvertently caused the act to operate in favor of the stronger faction. When the trouble in Abyssinia broke out, the Neutrality Act kept us from taking sides, despite the fact that we all recognized there was an aggressor. We realized, therefore, that our Neutrality Act could, indeed, become an immoral act by supporting a wrongdoer.

I introduced in 1939 an amendment to the Neutrality Act providing that when the President found that a state which was a signatory to a treaty to which the United

States was a party was engaged in war with another state in violation of such treaty, he might exempt the other state from the provisions of his proclamations if that state was not engaged in war in violation of such treaty. Because of the situation in which the United States found herself under the act of 1935, and its renewal in 1936, I felt that such an amendment was necessary in order not to have the law apply equally upon an aggressor and the victim of the aggressor. That amendment did remove the impartial aspect of the theory of neutrality.

In the hearings on this subject held by the Senate Foreign Relations Committee, Henry L. Stimson stated:

"For example, take our old attitude toward the question of aggression in war which has been the basis of our attitude toward neutrality. In the former World War we had a doctrine that in considering the controversies of our neighbors across the Atlantic or across the Pacific we could entirely disregard the question of aggression and treat both sides with perfect impartiality without trying to make any inquiry into the rights or the wrongs of the origin of their conflict. But today the fact of systematized aggression stares us in the face and we know only too well who the aggressors are. * * * We also know only too well who their victims are, both present and potential."

What we were attempting to do was to curb the aggressor. America has always been afraid to define and take a stand against an aggressor. This fact is rather clearly shown in the hearings and the discussions on my amendment which would have lifted the embargo in favor of a victim of aggression.

When I introduced my amendment to the Neutrality Act I did not have administration support for it but by the late summer of 1939 conditions in Europe had become so apparently dangerous that the administration did recommend something in the nature of my amendment. But in a meeting of the Senate Foreign Relations Committee held on July 12, 1939, the committee voted against taking any action. I, myself, believed then that that vote would be accepted as a green light by the aggressors of Europe—that it would be proof that America was going to remain aloof. Within a few weeks the world knew that my deduction was not an improper one. War broke out in Europe. It has been said time and time again both on this floor and at other places that the Kaiser would not have acted had he not thought that America would remain aloof and that Hitler and Mussolini would have restrained themselves had they known that their actions would have brought America into their war. I do not know how true those assertions were but boldness lends itself to boldness and nations on a rampage are like individuals on a rampage. They become desperate. When Tojo ordered the attack on Pearl Harbor in December 1941 the Axis Powers had become so bold in their successful aggression that they felt they could withstand the power of the whole world. Thus, I think anyone is justified in saying that if we can unite the world against an aggressor the aggression will not take place.

In these difficult times when many of the nations of the world are attempting to make a just and lasting peace, the world should organize itself in such a way that an aggressor can be stopped when he breaks out. These nations must make cooperation for the prevention of war, work. The spirit of the pact must be lived up to or we may kill the United Nations or at least the universality of the United Nations.

The world today finds itself in much the same position as the United States did back in the 1860's. We cannot allow aggressor nations to destroy world unity we are attempting to create any more than President Lincoln could have allowed the Southern States

to withdraw and thereby destroy our national unity. All our thoughts should be toward preserving the entity regardless of the attacks and indignities we have to put up with.

In the light of world conditions and the comparative size of the earth in modern times, it is ridiculous to think out a foreign policy with just one part of the world as a problem. The global policy is the only valid one for us to pursue as trustees of the Pacific. With our position in the Americas that is also true. With our prospects of becoming a member of the North Atlantic Pact it is more than ever true. With the position that we occupy in the world as a result of the recent war, this policy must be fundamental for America.

We want, of course, to see unity in Europe. But unity cannot come to Europe as long as fear, distrust, and suspicion hold the hearts of men there. And any arrangement of nations for a balance of power destroys unity. Forced unity will always depend on oppression which in turn invites disunity. If we build a united Europe as a result of the hatred of some other part of the world it will be impossible to ever drive fear and suspicion from any part of the world. Hatred and fear are elements that divide. It is trust that makes for unity.

We are being asked to participate in an alliance among the Atlantic powers under which a war against one would be considered a war against all. Such a commitment is necessary to convince any possible aggressor upon western Europe that it will have us to deal with. We are committed to assist the western European nations economically and have already contributed billions to their revival. We cannot permit this policy to fail because the nations of Europe fear that we will not support them by force if necessary.

It may be asked why a new agreement is necessary. We have committed ourselves in the United Nations Charter to take whatever measures may be decided upon by the Security Council whenever that body determines the existence of any threat to the peace, breach of the peace, or act of aggression. This commitment, however, does not assure action because of the veto; furthermore, the commitment is dependent upon agreements placing forces at the call of the Security Council, and such agreements have not been made. The Security Council, therefore, lacks capacity to act and forces to back up its action if it should be able to obtain the necessary vote.

To carry out the spirit of our commitments, to support our policy in western Europe, and to protect our interests, we must make more explicit commitments.

Twelve years ago I had the honor of addressing this body on Washington's birthday, and drew attention to a statement said to have been made by Washington supplementing his Farewell Address. According to this statement, Washington suggested that in time we might "safely and perhaps beneficially take part in the consultations held by foreign states for the advantage of the nations." Extensive research has failed to discover that Washington actually used those words, although in a letter to Lafayette he did refer to himself "as a citizen of the great republic of humanity at large." The statement which Secretaries of State Seward and Olney, as well as others, have attributed to Washington, was entirely in the spirit of the Farewell Address. In the latter historic statement, he declared that our true policy "was to steer clear of permanent alliances with any portion of the foreign world."

We have now joined a universal organization to maintain international peace and security. Let us consider carefully whether to abandon the advice of Washington and of Woodrow Wilson, who on January 27, 1917, while urging that the Monroe Doctrine be

extended to the world in a universal League of Nations, proposed that "all nations henceforth avoid entangling alliances which would draw them into competitions of power." Such alliance with a portion of the foreign world, to use Washington's phrase, may be necessary. Conditions change, and the theory of progress, which has characterized our country from its very beginning, requires that we be always ready to adapt our policies to new conditions. But let us ask whether in order to give the effective assurances which western Europe needs we must abandon the principle of universality.

The proposal which I shall present on behalf of myself and the junior Senator from Illinois [Mr. DOUGLAS] is not in opposition to the Atlantic Pact but an extension of it. By leaving it open to every member of the United Nations, I think we can accomplish our object without bypassing the United Nations and without involving ourselves in dangerous competitions of power.

The object of the resolution which I shall offer proposes a method to organize military action, by the agreeing members of the United Nations, without the veto and without bypassing the United Nations.

The proposal does not in any way reduce the inherent right of the United States or any other member of the United Nations to act individually in case of armed attack, as permitted by article 51 of the Charter, but it proposes a supplementary convention which would permit those who ratify it to act collectively whenever the General Assembly by a two-thirds vote, including three of the principal powers, calls upon them to do so.

The United Nations has not created a sense of security in the world because the voting procedure of the Security Council has not, as anticipated, promoted unity of the Great Powers, but instead has facilitated the insistence by a single power that the majority must yield to its demands. The Charter cannot be easily amended because unity of the Great Powers is required for such action. In these circumstances, we must not be discouraged but must search for other means to make the United Nations work. Supplementary agreements by the powers who wish to make it work is one method.

We have made one such agreement at Rio de Janeiro, uniting the American powers for security. The five nations of western Europe have made another such agreement. Regional arrangements of this kind are within the spirit of the Charter, as well as its letter. They carry out the historic tendency for closer economic, cultural, and political union of areas long related.

It may be that the Soviet Union would not join such a supplementary treaty. Let us, at least, give them the opportunity. If they accept, the United Nations will become workable because the veto is eliminated. If they refuse, then those who join will have an instrument assuring collective action against aggression and in particular assuring western Europe that our assistance will be immediate and adequate. The continuous sitting of the interim committee of the General Assembly makes it practicable for the General Assembly itself to meet immediately, and experience has shown that in an emergency it can act promptly. If the United States, Britain, and France are united in a need for action, if an emergency is obvious, the necessary two-thirds vote in the Assembly would not be wanting.

We live in times of uncertainty and change. We must be ready to adopt new methods while retaining our principles and what we can of our traditions. Let us reaffirm our faith in the United Nations and devise methods which will make it meet the needs of the time.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of

the United States submitting the nomination of Col. Roy Hartford Parker, O12565, Chaplain, for appointment as Chief of Chaplains, United States Army, and for appointment as major general in the Regular Army of the United States, which was referred to the Committee on Armed Services.

THE NORTH ATLANTIC TREATY— RESERVATION

Mr. WHERRY submitted a reservation intended to be proposed by him to the resolution of ratification of the North Atlantic Treaty, signed at Washington on April 4, 1949 (Ex. L., 81st Cong., 1st sess.), which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

At the end of the resolution of ratification insert the following:

"The United States of America understands and construes articles 3 and 9, and all other provisions of this treaty as in no way, moral or legal, committing or obligating any signatory thereto to furnish or supply arms, armaments, military, naval, or air equipment or supplies to any other signatory, prior to such action as each signatory may take pursuant to article 5 through and subject to its own legal or constitutional process, which, in the United States of America requires action by its Congress."

THE NORTH ATLANTIC TREATY

The Senate, as in Committee of the Whole, resumed the consideration of the treaty, Executive L (81st Cong., 1st sess.), signed at Washington on April 4, 1949.

Mr. HENDRICKSON. Mr. President, as a new Member, I rise with some diffidence to participate in this debate on the ratification of the North Atlantic Treaty. Two reasons that lead me to do so may be of interest to the Members of this body. One is that the right we are now exercising—that of consenting to or rejecting a treaty of alliance—is one that the people of my own State, New Jersey, insisted on exercising more than a century before the Federal Constitution transferred this right—not without the intervention of New Jersey—to the Members of the United States Senate. It seems to me that I would be remiss in my duty if I did not exercise, on so important an occasion, this right which stems from the democracy of New Jersey, particularly when there are other lessons to be drawn from its history that can throw light on the problems we face here now.

I say this right stems from New Jersey, but more accurately I must say that it comes from that part of New Jersey—west New Jersey—where my own forebears from Sweden settled in about 1638, and where I live today. It is widely forgotten that two separate colonies, independent of each other, once divided the territory now comprising the State of New Jersey. There was the colony of West New Jersey, and there was also the colony of East New Jersey. The people of the latter agreed upon their constitution in 1683; but 2 years earlier, in 1681, the people of West New Jersey had set up theirs. I quote from the preamble of that ancient instrument, so that the Senate may see how deeply rooted in my home community are the free principles this North Atlantic

Treaty aims, in its preamble, to safeguard:

For the good and welfare of our posterity to come, we, the Governor and proprietors, freeholders, and inhabitants of west New Jersey, by mutual consent and agreement, for the prevention of innovation and oppression, either upon us or our posterity, and for the preservation of the peace and tranquillity of the same, * * * do make and constitute these, our agreements, to be as fundamentals to us and our posterity, to be held inviolable, and that no person or persons whatsoever shall or may make void or disannul the same upon any pretense whatsoever.

The fundamental agreements that followed set up a general assembly to be elected annually by the people, and provided that the Executive "shall not send ambassadors, or make treaties, or enter into an alliance upon the public account without the consent of the said general free assembly."

In that provision the people of west New Jersey asserted the right that we are exercising here today.

Later the two colonies peacefully united. After that united colony declared its independence as the State of New Jersey, the proposal came to unite it with the other 12 States under a common government in order to safeguard the liberty and security of its people from the dangers that mere alliance—the Articles of Confederation—had not sufficed to overcome. At the Federal Convention that explored this possibility in 1787, the delegates from New Jersey led the fight to preserve the sovereign equality of the States, both small and large. The result was that the people of every State enjoy equal voting power in this body, the United States Senate, the one House without whose consent no treaty can bind the people of the United States, including that portion of them who are also the people of New Jersey.

I feel that I would not be doing my duty by them if on this grave occasion I did not use this historic right to speak for them. I would feel remiss for another reason, too, and it is the second reason why I venture to rise at this time. It happens that I am one of those who saw active service in western Europe in the United States Army in both World War I and World War II. It seems to me that this experience should contribute something to this debate on a treaty which is presented as a means of preventing world war III.

I have listened to my eminent and eloquent colleagues who have spoken for and against ratification, and my mind is troubled over the position that I myself should take.

Mr. President, I am deeply concerned by the constitutional point developed so ably by the distinguished Senator from Missouri [Mr. DONNELL] and the distinguished Senator from Utah [Mr. WATKINS]. I would safeguard the right of Congress to declare war, but I am bound to say that I would safeguard even more carefully the Constitution as a whole.

As I see it, Mr. President, we face two dangers. One is that some day the Executive may use the language of this treaty to usurp the constitutional right of Congress to declare war. The other danger is that if we leave doubt of what

we shall do, an autocrat will once more precipitate a world war, on the mistaken assumption that the democracies of the North Atlantic will not stand together at the show-down. Such a foreign attack would certainly increase the danger of Executive usurpation of power in the United States much more than does this treaty, even by the worst construction one can put on its language. Such a foreign attack also carries with it the danger that an aggressor could win by surprise and could destroy our whole Constitution.

From my reading of the history of nations—and I have tried to read much—I observe that treaties such as the one now before us have always been found wanting, when tried. No matter how strong their language, they still have proved uncertain. Often they have culminated in disputed interpretations and discord among the nations involved, and too often they have led to war. Both the nature and the record of treaties of alliance encourage the potential aggressor to treat them as uncertain elements, and to attack one of the allies on the gamble that one or more of the others will then find some good reason to justify standing aloof, despite the treaty.

If we refuse to ratify this North Atlantic Treaty after it has not only been signed here in Washington by the Secretary of State but unanimously recommended to us by the Foreign Relations Committee and urged on us as strongly by its leading Republican Member as by its chairman, then, Mr. President, I must admit that we would greatly increase uncertainty as to what the United States would do in the event of aggression.

If, unsatisfied with the assurances we have received from the Senator from Texas [Mr. CONNALLY], and the Senator from Michigan [Mr. VANDENBERG] that the treaty text does safeguard the constitutional rights of Congress, we spell out these rights in reservations, we shall also, I fear, encourage the potential aggressor to believe that we are so uncertain an element that he can pick off the democracies of Europe one by one as did Hitler.

Since such uncertainty encourages aggression, and since such attack endangers the whole Constitution, I have come to the conclusion, Mr. President, that, on this count alone, the wisest and safest course lies in ratifying the treaty as it stands.

But, Mr. President, another danger troubles me even more than the constitutional one which the senior Senator from Missouri and the junior Senator from Utah dwelt upon so eloquently. It is the danger which the junior Senator from Vermont [Mr. FLANDERS] so ably portrayed, the danger, as he said, that the battlefield is not where the North Atlantic Pact conceives it to be, that it marks one more step toward the pyramiding of a load of national expenditures which we shall ultimately find it impossible to bear, and that we shall be drawn into the budgetary ambush which Joseph Stalin and his associates have set for our destruction.

It is not World War I or World War II that we are seeking to prevent now, but

world war III. The autocracy which endangers peace and freedom now is not that of Germany, but the Communist dictatorship in Moscow. Since the time of Frederick the Great, German autocracy has sought to expand by military invasion of its neighbors. The army has long been the chief instrument of German aggression. The North Atlantic Treaty aims to secure the democracies from armed invasion. But armed invasion is not the favorite instrument of Communist expansion. Since the days of the Communist Manifesto, the Communists have relied on revolution to gain power. They have developed to a high degree the technique of conspiracy and the fifth column. They count on hard times, economic depression, monetary inflation to deliver other countries to them from within by revolution or civil war. They counted on an economic crash in the United States delivering at least Europe to them soon after World War II. The crash did not come; instead we set out with the Marshall plan to rebuild Europe. The Kremlin sought then to hasten the overdue American crash by retarding recovery in Europe by strike, sabotage, propaganda, and above all by keeping the Western World fearful of a Red Army attack, thus discouraging enterprise in Europe, diverting men, materials, machinery, and money from civilian production to rearmament, piling up costs for our European friends and for us.

What protection does the North Atlantic Treaty give against this kind of attack? That is the question. What security does it give against a Communist dictatorship whose best hope of winning the world lies not in actually invading others with its Red Army but in maintaining enough threat of such invasion to keep the West jittery, and thus induce its economic crash? What value has this alliance against an aggressor who plots to conquer without war—German-style war?

I said a little earlier that the aim of this treaty is to prevent world war III, but in a sense world war III is already upon us. For the dictatorship we now face seeks to win by the weapons of the so-called "cold war." And it is winning that war.

That is the view of Mr. Will Clayton, former Under Secretary of State for Economic Affairs. Testifying before the Foreign Relations Committee on May 4, as shown by page 378 of the hearings, he said:

ECA is doing its work well, indeed. Without it the battle of Europe would be lost. But even with ECA, Europe will not be in balance with the rest of the world by 1952, nor, in all probability, by 1962, unless the democracies radically alter their present course, because, on balance, Russia is winning the cold war.

The democracies are on the defensive. Wars are not won that way. Total costs to the democracies are taxing their economies excessively. In our own case the burden may get too heavy, even for our strong back.

But we dare not lay it down. Soon we must decide between additional taxes and deficit financing. Either route is fraught with grave danger to democratic government and free enterprise. Some less costly road to peace than the one we are now following must be found.

Later, questioned by the junior Senator from Arkansas [Mr. FULBRIGHT], at pages 386-387 of the hearings, Mr. Clayton said:

I say that I think Russia is winning the cold war because I notice the great expansion that is taking place in two or three items in our budget. If you would refer to one military item for ourselves, the ECA, lend-lease, which is military arms, which is sure to come, and things of that kind, you will see that they compose at least one-half of our total national budget.

He said further:

While there are good reasons to argue that the Atlantic Pact should have the effect of reducing these costs, I think that we would be a little naive to expect that that would be the actual result. I think the actual result is going to be the other way round. I think that the costs are likely to increase instead of reduce. And I think that, under the present conditions of our economy, if we should have a modest recession in economic activity in the country—which is not entirely out of the cards—we would find the burden very heavy. Our tax revenues would, under those circumstances, considerably decline.

Senator FULBRIGHT. Which would require an increase in the rate to compensate for the decrease, which in itself tends to depress the business. It is rather a vicious spiral when it starts.

Mr. CLAYTON. That is correct. And as I said in my prepared statement, we must decide pretty soon between additional taxes and deficit financing, and either road is fraught with a great deal of danger to our type of government and free enterprise.

Senator FULBRIGHT. That decision must be made within the next 2 or 3 months.

Mr. CLAYTON. That decision must be made very soon.

Mr. Clayton testified, we must remember, several weeks before the British currency crisis broke upon the world.

What this British crisis means to the Marxists, and the decisive role the economic situation in general plays for these economic determinists, can best be seen by turning to Karl Marx himself. I quote from the magazine *Freedom and Union* for June 1947 this passage that Marx wrote in 1853:

We may be sure, nevertheless, that to whatever height the conflict between the European powers may rise, however threatening the aspect of the diplomatic horizon may appear, whatever movements may be attempted by some enthusiastic fraction of this or that country, the rage of princes and the fury of the people are alike enervated by the breath of prosperity. Neither wars nor revolutions are likely to put Europe by the ears, unless in consequence of a general commercial and industrial crisis, the signal of which has, as usual, to be given by England.

Mr. DONNELL. Mr. President, would the Senator prefer not to be interrupted?

The VICE PRESIDENT. Does the Senator prefer to continue without interruption?

Mr. HENDRICKSON. I should prefer not to be interrupted until I conclude. I shall then be glad to yield for questions.

Mr. President, no one, I believe, offers the North Atlantic Treaty as a means of winning this new cold war, the new battle of Britain. Instead we are told that the way out lies in such things as devaluation of the British pound. I do not want to go into the financial merits

or demerits of that idea. But consider the possible gains for the Marxists that lie in an attempt to win this battle of Britain by devaluing the pound. Consider the effect in Asia, where communism has already engulfed China. One of the chief assets of the Government of India in its efforts to alleviate the misery on which communism feeds, is the debt which Britain now owes it. That debt is in pounds, and I understand it amounts, at the present official rate of exchange, to about \$3,500,000,000. If the pound should be devalued, say, one-third, India's hopes of turning that debt into imports of machinery and other products it needs would go down by more than \$1,000,000,000.

Turn to the effect on western Europe: Devaluation of the pound would immediately lead, it has been estimated, to devaluation of seven or eight continental currencies. The champions of devaluation profess to regard this with equanimity, but as I look back on the currency devaluations which were tried before, in the 1930's, it seems to me they made more for Marxism and statism than for monetary stability and international trade.

Turn now to the effect of devaluation on the British themselves, particularly on the middle class. Marx declared war from the start on the middle class. This is the most stable class in any country. It is stable largely because of its savings. Currency inflation, depreciation, devaluation reduce or wipe out the value of its savings in the banks, in government and other bonds, in insurance policies. By wiping out the savings of the middle class—the nesteggs which people had put by for their old age or to educate their children or to go into business for themselves—currency depreciation paved the way for national socialism's dictatorship in Germany after World War I. Similarly, socialism and communism have grown in France in the thirties and forties as the value of the franc went down and down. The English, whom Marx taught the Communists to look on as the key people, are the only great European people who have not yet suffered more than a relatively minor currency depreciation.

"Emergency has been driving the British toward socialism since the war," Clarence Streit points out in the recent postwar edition of his book, *Union Now*. He further points out:

But Congressmen, and others who are more concerned with its growth there than with removing the cause, should note one thing. The great bulk of Europe's remaining capital is still British. To mention but one item: More than \$60,000,000,000 of the British national debt is now owned by private investors. Should the pound be devalued one-half, as some recommend, this one stroke would wipe out \$30,000,000,000 of the savings of the British people—private capital they patriotically put into war bonds. In this one item—to say nothing of other bonds, insurance, savings deposits—such devaluation would wipe out nearly twice as much private capital as the \$17,000,000,000 that the United States plans to pour into all western Europe in 4 years, in the hope of restoring there the enterprise that depends on . . . private capital.

I confess that I do not see how we can hope to win this cold world war with

communism by methods such as currency depreciation that cut down and down what remains of private capital in Europe and turn even the British middle class into proletarians. Nor do I see how we can save this situation by the North Atlantic Treaty.

It is not only the military character of this alliance, its concentration on armed attack, rather than on the real danger—on Communist boring from within—that I have in mind. I am thinking, too, of the fact that because an alliance is between sovereign states, it can hardly permit one of them to intervene in the domestic affairs of another, yet communism aims to rise in each of our allies as a domestic affair.

The Communists are skilled in using the free institutions of the European democracies to confuse the people there, make them jealous and suspicious of us in particular, speed inflation and retard recovery with sabotage and strikes, gain seats in parliament and strategic ministries in coalition cabinets, get their undercover men into strategic posts in the armed and scientific services with access to secrets we shall be forced to share with our allies if the alliance is to be effective. The Communists are masters at secretly infiltrating their way into strategic positions where, when circumstances are ripe, they can take over by a coup the government of one of our allies, and all the arms and other equipment we have supplied it.

Mr. President, I fear I cannot see why the Kremlin should not hope to convert this Atlantic alliance into as cheap a source of arms for themselves as our policy in China proved to be.

The Foreign Relations Committee sensed this danger. In its hearings it frequently returned to the possibility of one or more of the allies turning Communist from within. Questions put to Secretary of State Dean Acheson brought out his view, at page 25 of the hearings, that the provisions of the pact would probably no longer apply to such an ally. I could derive, sir, only a melancholy consolation from knowing that whenever the Communist front thus advanced through their peaceful capture of one of our allies our obligations to that ally under this treaty ceased. I would consider this rather as proof that that this treaty was not aimed at the real danger.

I would draw attention particularly to this colloquy on pages 40-41 of the hearings:

Senator HICKENLOOPER. Some member of the committee asked you a moment ago what the situation would be in the event of any internal coup or taking over by forces that were not sympathetic or cooperative to the general pact considerations. Have you given consideration to the possibility that capital goods which we might mutually cooperate to provide to such a country . . . could be returned to us under safeguard?

Secretary ACHESON. Yes, Senator, that has had a lot of consideration. I think it would be less than candid on my part to leave you under the impression that if there were a coup, and if one of these countries had such a change of government, that we would have any large chance of getting back any large amount of what we had transferred.

Senator HICKENLOOPER. I thoroughly agree with that.

Secretary ACHESON. In my judgment, the possibility of such a coup is remote. It is made more remote by the program, because as you give a sense of will to resist and the possibilities that that will be successful, you get further and further away from the sort of disintegration which leads to an increase in Communist strength.

We must all hope that Secretary Acheson's judgment in this last respect is sound, and there is much to be said for it. But, Mr. President, it seems to me that we are caught in this dilemma: If our allies are not armed adequately this treaty will be ineffective, and we shall face the danger of the Communists capturing them from within as a result of their economy breaking down either (a) from the burden of arming themselves alone, or (b) from the discouragement to productive enterprise caused by fear that lack of adequate defenses would invite invasion.

If we do arm our allies enough to prevent this, the huge cost of this operation may cause our own economic crash and thus result in communism capturing from within all our allies, with all these arms.

Unhappily, we cannot escape this dilemma by rejecting this treaty. Nor will this save us from the budgetary ambush we face. Though I myself believe the danger from the Kremlin lies on the economic rather than the military side at present, I must concede that Europeans may believe otherwise, and their beliefs, whether founded or unfounded, must be considered. It is only human that the French, for example, who have twice in this century been invaded by Germany, should fear invasion by the Red Army more than we do. This treaty does evidently give them some reassurance against this danger, and thereby it does help meet the economic danger I see by encouraging recovery.

To refuse to ratify this treaty now would not lessen the dangers we face; it would only, in my considered judgment, make them worse. At best, it would discourage our best friends, and cause delay and uncertainty at a time when the monetary and economic situation is already so uncertain. This would help only the Communist dictatorship, and the more it helped the Kremlin the more it would tend to increase the burden on our economy, thus endangering us still further.

The only way I see, Mr. President, to escape the dilemma we are in and the economic ambush that awaits us now is to find some way to put much more power—decisive power—behind peace and freedom, while reducing considerably the cost in money, in material, and in men.

This is a huge order, I realize, but I believe it can be filled if only we set about it without delay. It will take time—and here this treaty can be very helpful, for it can help us gain the time we need, at less cost and danger than any alternative I know of.

How can we best hope to succeed in gaining the strength needed for peace and economy needed for victory in the cold war? I know of no better way, Mr. President, than the way our forefathers pioneered when they constituted our own Federal Union.

The problem we face is not merely military and political, it is economic,

monetary, fiscal, financial, and moral, too. We must tackle it, big as it is, as a whole. We are trying to solve it piecemeal, by the ECA, by this treaty, by sending arms to Europe, and by the currency talks now going on around the Atlantic area. We cannot solve it piecemeal. We must return to the spirit of the Marshall plan, which roused the wholehearted enthusiastic support of so many of us. What was that spirit? Let me quote these words from former Secretary Marshall's Harvard speech in 1947:

Our policy is directed, not against any country or doctrine, but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social conditions in which free institutions can exist. Such assistance must not be on a piecemeal basis. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative.

We first thought that piecemeal meant giving economic assistance individually to other nations, and that we could effect a cure by aiding a group of them together. But the ECA, though it saved the day, has not proved to be enough, has not proved to be a cure; we are now asked to supplement it with this treaty, and then to supplement the treaty with arms tomorrow, and then to supplement that with who knows what monetary cure. Events have shown that we must revise our notion of what piecemeal means, and recognize that in the North Atlantic community the political, military, economic, financial and moral problems are inextricably interrelated, that to tackle these problems separately is to tackle them piecemeal and achieve only costly palliatives.

In facing this huge question we can surely gain much understanding and courage by turning back to the days when our 13 States established our present Federal Constitution. There are obvious differences between the situation then and now, but there is this illuminating similarity between them: The 13 States did face then a complex of political, military, economic, monetary, and moral problems; they failed to settle them separately and they tackled them finally together at the Federal Convention. They solved them by Federal Union, and why should we not hope for similar success?

The 13 States began by trying an alliance—The Articles of Confederation. Each State then had its own army—think of it, its own army—and several then were threatening war on each other, New York and New Hampshire over Vermont, Pennsylvania, and Connecticut over the Wyoming Valley.

That was the situation under this "firm league of friendship," as the Articles of Confederation described the relations of these sovereign allied democracies. In that respect the situation was worse than it is today, for no two of the Atlantic democracies are now threatening war on each other.

In another respect their differences were greater than now, for some of them were free States and some permitted slavery. I recognize the difficulties that

face us today from the division of the Atlantic community between free enterprise and socialist democracies, but surely this is not so dangerous or deep-seated as the division that faced the 13 States.

Each of the 13 States then had its own currency, its own tariffs, and most of the States then were bankrupt, their currency worthless, their trade reduced to barter, depression rife.

They, too, tried to solve their problems piecemeal. When alliance failed to be enough, failed to solve their economic problem, they first tried to deal with the latter separately at the Annapolis Convention, which was called in 1786 for the sole purpose of considering their commercial relations. They soon found there that this would not be enough. Luckily, one State had foreseen that the problem was broader. I quote with pride the report of the convention:

That the State of New Jersey had enlarged the object of their appointment, empowering their commissioners to consider how far a uniform system in their commercial regulations and other important matters might be necessary to the common interest and permanent harmony of the several States, and to report such an act on the subject as when ratified by them, would enable the United States in Congress assembled, effectually to provide for the exigencies of the Union.

When the Annapolis Convention faced fiasco, Alexander Hamilton seized on the opening these instructions of the New Jersey delegation gave. He persuaded the convention to say in its report that the idea of extending the powers of their deputies to other objects, than those of commerce, which had been adopted by the State of New Jersey, was an improvement on the original plan, and to recommend therefore that the States send delegates to meet in a Federal convention in Philadelphia in 1787 to take into consideration the situation of the United States, to devise such further provisions as shall appear to them necessary to render the Constitution of the Federal Government adequate to the exigencies of the Union.

Once the problem was thus tackled as a whole the result was the establishment of our present Constitution. What did that change mean? It meant a change from a feeble alliance of State governments to a strong union of citizens, a change from "We, the undersigned delegates of the States" to "We, the people of the United States."

It meant the change of the Congress of the United States from a powerless diplomatic conference, as John Adams called it, to a true legislative assembly, flanked with both executive and judicial departments. It meant the creation of the first democratic representative interstate government in human history, one that operated up from the people through the representatives they elected, and back to the people, and for the peace, and prosperity and freedom of the people individually. It meant the transfer from each State to the Union Government of the right to issue currency, regulate interstate commerce or communications, maintain an army, declare war, name ambassadors, make treaties,

or enter into alliances—that right which the people of West New Jersey had so carefully reserved to themselves as early as 1681.

The Constitution of the United States meant, Mr. President, the constitution of a monetary union, a customs union, military union, a citizens union, an organic political union by the people of those States, and at the same time, the guaranty by the people of the Union to the people of each State in it that every power not expressly transferred to the Union would remain in the hands of their independent State government or in their own hands.

That happy initiative of New Jersey led, sir, to the discovery of the great principles of federal union, the division of power between State governments, and union government, between the Senate and the House, the dynamic division of power between the governments and representatives of the people in the interests of greater power and freedom for all the people. The great English historian, Lord Acton, said in 1866 that it led our bankrupt States—

to solve with astonishing and unexampled success two problems that had hitherto baffled the capacity of the most enlightened nations; they had contrived a system of federal government which prodigiously increased the national power, and yet respected local liberties and authorities; and they had founded it on the principle of equality, without surrendering the securities for property and freedom.

Lord Acton paid that tribute nearly a century ago; what would he say today of the prodigious power these principles of federal union have developed for human freedom?

Mr. President, though I am a new Member of the Senate, I feel that I am in the oldest and most glorious tradition of the small but history-making State of New Jersey when I suggest that the way out of our troubles lies in broadening our vision, in tackling our problems as a whole, in promptly using the time we gain by this North Atlantic Treaty to invite the other sponsors of that pact to meet with our delegate in a federal convention to explore how far we and they can unite in a great Atlantic union of the free.

As a Republican I am happy indeed to join with the junior Senator from the State of Old Hickory [Mr. KEFAUVER] in making this proposal.

I am the more heartened in making it by the fact that this is the solution which Will Clayton recommended to the Foreign Relations Committee to meet the dangers and difficulties he described in the testimony I have already quoted. This is the solution which was recommended to the committee by Robert Patterson, the former Secretary of War, who knows the defense problems of our Republic and of the other Atlantic democracies as Mr. Clayton, who is even more experienced in business and agriculture than in diplomacy, knows their economic problems and ours.

Ratification of this treaty followed immediately by convocation of an Atlantic federal convention was also urged on the committee by Owen J. Roberts, former Justice of the United States Supreme Court, with his unsurpassed knowledge

of the Constitution. With a courage and devotion worthy of the grandeur of the proposal, Justice Roberts has been urging this course for years, and is now President of the Atlantic Union Committee which was recently formed to secure the calling of this new federal convention after this treaty is ratified.

Now, I should mention two other groups headed by distinguished Americans who are advocating proposals similar in objective to that sponsored by the Atlantic Union Committee. For my part I adhere to and support the aims of all these groups. From my point of view, they are all marching in the same direction—they all seek to promote the great objective of a world at peace under a well-established world federation government.

True, there may be some differences in formulas, but, like the differences in our Constitutional Convention, they can be resolved if the men who are supporting these various programs for a federation of nations are sincere and truly mean what they say, and I am sure they do.

In order that my position may be quite clear, let me say that I will aid in all these splendid efforts to the point where compromises are necessary, and then I shall be happy to support sound compromises to achieve the great goal to which all these ideals are devoted—a just and lasting peace.

Of one thing I am quite sure, namely, that all groups which up to this time have advocated any form of a federal union of nations, have insisted that the attainment of their objectives should strengthen rather than weaken the United Nations. That one day there must be an adequate union for the common defense of all, there can, in my judgment, be no question.

My own experience as a soldier in two world wars has led me to the same conclusion which Gen. Claire L. Chennault's longer experience led him when he said:

I am convinced that the people of this planet must ultimately and inevitably move toward a single form of world government if civilization is to survive. But it is our immediate task to see that this world government comes as a mutual federation of free peoples, rather than through the ruthless domination of a master state enslaving all the others.

Many, I know, will balk at this proposal, and say that this federation of the free is too difficult and dangerous to achieve, many, who perhaps, have never faced the difficulties and dangers which General Chennault has grown up on.

That I should live to see the day when such a federal union of the world's democracies should be created has long been, I confess, my fondest dream. I say dream—because I can see the difficulties and dangers myself. But I can see greater difficulties and dangers now in attempting any other course. I have pointed today to only a few of the dangers and difficulties that will confront us if we continue to tackle the problem only piecemeal, and on the government-to-government diplomatic basis of this treaty and the ECA. We are not getting out of them by our present methods; we are getting into them deeper and deeper.

I repeat, sir; how are we going to escape without union the dangers of economic ambush? How are we going to cope with the dangers of indirect aggression, of communism with the help of economic crash capturing our European allies from within, without war, but with all their arms?

As Ferdinand Kuhn pointed out some time ago, in the Washington Post—

If the coming Atlantic treaty provided for a real union instead of a "community of interest," the danger point of indirect aggression would dwindle and disappear.

Union is harder to achieve than alliance—but it is also much harder to break down, once it is achieved. If France were a State in an Atlantic union, the Communists could no more take it over from within than they could capture Louisiana in our own Union, or the Province of Quebec in the Canadian federation. Can we begin too soon to explore in a federal convention whether we cannot thus safeguard the arms we are asked to give our allies?

Difficulties? Dangers? Who wants to run the danger of doing as Maginot did—of making his name a synonym for a monumental blunder, of producing a splendid if expensive plan for preventing the previous war, not the present peril? Who runs that danger now, they who identify their names with Atlantic alliance alone, or we who identify ours with Atlantic union?

Dangers? Difficulties? What great difficulty, what danger is there in our calling a Federal convention of the sponsors of this treaty to explore the possibility of their federating? Does danger not lie instead in failing to explore so promising a possibility? Suppose the convention fails to agree on a Federal Constitution? Will we not have learned much in the process, as did the delegates to the Annapolis Convention that failed to achieve its purpose? May not such failure be again the prelude to success? Suppose the convention should succeed in framing a constitution for an Atlantic federal union of the free. We are not committed to it until we have seen exactly how it works out the complex political, military, monetary, economic and moral problems we now face. We have signed no blank check. The people must still ratify it after full and free debate, before it can go into effect.

The difficulties such a convention will confront are, I repeat, tremendous; but what difficulty is there in calling a convention to try to overcome these difficulties?

Mr. President, in closing, may I turn once more to the history of New Jersey for a ray of light? Although New Jersey contributed so happily to the calling of the federal convention in 1787, once it began I must confess that the delegates from New Jersey contributed no little to its difficulties. They confronted the Virginia plan for a strong national government with the New Jersey plan, which sought instead to keep the State governments strong. Denouncing the Virginia plan, William Patterson of New Jersey warned the convention, Madison noted, that:

New Jersey will never confederate on the plan before the committee. She would be

swallowed up. He had rather submit to a monarch, to a despot, than to such a fate.

The stubborn fight which New Jersey led nearly wrecked the convention, and caused Washington to write to Hamilton:

I almost despair of seeing a favorable issue to the proceedings of your convention, and do therefore repent having had any agency in the business.

That was a very discouraging remark.

Whatever our cause for pessimism, we can hardly be more pessimistic than Washington then was, 6 weeks after the convention began. But he continued to work for agreement, and 6 days later the fight ended by agreement, 6 to 5, on the famous Connecticut compromise, which made representation in the House proportionate to the population but gave every State equality in the Senate. The difficulty ended, in short, in a solution that was far better than either the New Jersey plan or the Virginia plan. Six weeks later when the Constitution was finished William Patterson joined in signing it. Three months later New Jersey became the third State to ratify the Constitution—and it ratified it by a unanimous vote.

That shows, Mr. President, how completely we can hope to overcome the difficulties facing an Atlantic federal convention, if only we call it into being. If we turn our backs on this rare opportunity—if we continue to muddle on as we have through the past 3 years of precious time, continue to whittle along piecemeal with this problem, then we must run the risks that go with frustration, apathy, and despair. There is no safe and easy way to attain our objective, demanding as it does strength, courage, vision, and the highest degree of effort. But attained it must be. So I shall vote for ratification of the North Atlantic Treaty with the firm intention of doing all I can to follow it through to something infinitely better—a free world government.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I yield.

Mr. DONNELL. I have been very greatly interested in the address of the distinguished Senator from New Jersey, and have noted with much interest the fact that it coincides in large part in spirit with the testimony of three gentlemen whom the Senator named, namely, Mr. Clayton, Judge Patterson, and Mr. Justice Roberts.

Mr. HENDRICKSON. I quoted much of that testimony.

Mr. DONNELL. Yes. As I say, I observe the identity of the general principle underlying the view of the Senator from New Jersey with that expressed by those three gentlemen. I take it I am correct in so stating, am I not?

Mr. HENDRICKSON. Yes.

Mr. DONNELL. In connection with Mr. Clayton, I should like to ask the Senator a question. I take it the Senator has read Mr. Clayton's testimony.

Mr. HENDRICKSON. I have.

Mr. DONNELL. The Senator quoted parts of it. The Senator recalls that he appeared before the Senate Foreign Relations Committee in advocacy of the North Atlantic Treaty, does he not?

Mr. HENDRICKSON. That is correct.

Mr. DONNELL. Does the Senator recall having read this portion of the testimony of Mr. Clayton, which was given on May 4, 1949, as found on page 398 of the record?

Senator DONNELL. Have you studied this treaty itself in detail, Mr. Clayton?

Mr. CLAYTON. No, sir; I have not.

Senator DONNELL. Have you read all of it?

Mr. CLAYTON. No, sir.

Senator DONNELL. Are you familiar—well, I shall not examine you on this particular article, but are you familiar with article 2, which is the one which says that the signatories will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any and all of them?

Mr. CLAYTON. I have not read that.

Senator DONNELL. You have not read that?

Mr. CLAYTON. No, sir.

Senator DONNELL. How much of the treaty have you read?

Mr. CLAYTON. I have not read any of the treaty itself, but I have read several reviews and digests of it from time to time that appeared in the magazines and in the newspapers; and I have read statements of Secretary Acheson on the treaty and I have read other statements of authoritative people in connection with it.

Senator DONNELL. Have you read any statements by anyone who was raising any question as to the advisability of entering into the treaty?

Mr. CLAYTON. Yes; I have read some of those statements.

Senator DONNELL. Can you tell us who were the authors of those statements?

Mr. CLAYTON. I do not recall just now. I read the other day some church statement that was opposed to it.

Senator DONNELL. Was that the Methodist organization?

Mr. CLAYTON. Yes; the Methodist Church. Senator DONNELL. You read that in the newspaper, did you not?

Mr. CLAYTON. Yes.

Senator DONNELL. Did you see the entire resolution of that organization?

Mr. CLAYTON. No; I did not, Senator DONNELL. I just read the newspaper account of it.

That testimony was given 1 month after the treaty had been signed in Washington, in the historic incident to which reference has been made. Is not that true?

Mr. HENDRICKSON. If the Senator says that is the period, of course it must be.

Mr. DONNELL. Mr. Clayton came here, did he not, as one of three representatives of the Atlantic Union Committee?

Mr. HENDRICKSON. That is correct. I do not think he made his appearance solely as a representative of that union. He came to testify in general.

Mr. DONNELL. I do not have the mimeographed copy of his testimony before me, but I invite the Senator's attention to this question, which happened to have been by myself.

Senator DONNELL. Mr. Clayton, I am sorry that because of an earlier engagement I did not get to hear your testimony. I hastily scanned this, and there are only a few questions I want to ask you. I have no doubt Senator WATKINS will ask other questions.

ATLANTIC UNION COMMITTEE

I notice that you appear here on behalf of the Atlantic Union Committee. I do not know whether you explained into the record what the Atlantic Union Committee is, what

its composition is, how many officers it has. Have you done that?

Mr. CLAYTON. I have not, Senator.

Senator DONNELL. Would you be kind enough to do that, Mr. Clayton?

Mr. CLAYTON. The Atlantic Union Committee was formed to solicit public support for the introduction in Congress of a resolution which would authorize the President of the United States to call a conference of representatives of the governments which are members of the Atlantic Pact to explore the idea of a federal union of such countries and to explore how far they could go in forming such a union.

The chairman of the committee is former Supreme Court Justice Owen J. Roberts, and former Secretary of War Robert Patterson is a vice chairman, and I am a vice chairman.

Mr. Patterson also appeared; did he not?

Mr. HENDRICKSON. He did.

Mr. DONNELL. Did he not state, as appears on page 608:

I am appearing as a vice president of the Atlantic Union Committee and as a citizen.

Mr. HENDRICKSON. I am pretty sure he did. That is my recollection of the testimony.

Mr. DONNELL. Did not Mr. Justice Roberts likewise state—

Mr. HENDRICKSON. I am pretty sure he made similar statements, as I recall the testimony.

Mr. DONNELL. I think he did, too. At page 526, Mr. Roberts said this:

Mr. ROBERTS. Mr. Chairman, I have a very brief statement that I would like to give you in support of the North Atlantic Pact.

The board of directors of the Atlantic Union Committee, of which I am president, has wholeheartedly and unanimously voted to support ratification of the Atlantic Pact.

That was the statement of Mr. Justice Roberts, was it not?

Mr. HENDRICKSON. It was.

Mr. DONNELL. Mr. President, will the Senator be kind enough to yield further?

The PRESIDING OFFICER (Mr. O'Connor in the chair). Does the Senator from New Jersey yield to the Senator from Missouri?

Mr. HENDRICKSON. I yield.

Mr. DONNELL. As I understand—if I am in error, I wish the Senator would correct me—Mr. Clayton testified as follows, as found on page 377:

For this pact is a natural and necessary step on the road to a federal union.

Did he not so testify?

Mr. HENDRICKSON. Yes; that is correct.

Mr. DONNELL. And did he not then testify, somewhat to the contrary, as shown at page 399, following a question which was asked him by the Senator from Utah [Mr. WATKINS], as follows:

As I understand it, you feel that this is a necessary step, the adoption of the Atlantic Pact, in order to form a federal union?

Mr. CLAYTON. No, sir; I do not. I said that I felt that this was a step on the road to federal union; but I do not think that it is necessary to the formation of federal union at all.

The Senator from New Jersey recalls, does he not, the inconsistent statements thus made by Mr. Clayton?

Mr. HENDRICKSON. I see that they are inconsistent, as the Senator from

Missouri has just read them. I had not noted that before.

I should like to add that I do not think the inconsistency is at all serious.

Mr. DONNELL. Whether serious or not, I submit to the Senator that that witness, testifying before the Foreign Relations Committee, said, as shown at page 377, that—

This pact is a natural and necessary step on the road to a federal union—

Which was one of his arguments; and then, as shown at page 399, he said, in response to a question by the Senator from Utah [Mr. WATKINS], as follows:

As I understand it, you feel that this is a necessary step, the adoption of the Atlantic Pact, in order to form a federal union?

Mr. CLAYTON. No, sir; I do not.

At any rate, regardless of the materiality of that—

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DONNELL. I should like to continue, if I may.

Mr. KEFAUVER. Mr. President, will the Senator yield to me at this point?

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the Senator from Tennessee may be allowed to ask a question of the Senator from Missouri, without causing me to lose the floor.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. KEFAUVER. Mr. President, I wish to say that I feel that the senior Senator from Missouri [Mr. DONNELL] is unnecessarily taking Mr. Clayton to task, in the first place, in saying that because he had not read the actual text of the pact itself, he was not familiar with all its provisions, for one may read newspaper accounts, editorials, discussion, releases, and so forth, and be entirely familiar with the provisions of the pact.

The second thing is—

Mr. DONNELL. Mr. President, will the Senator permit me to comment on that much, before he goes to the second point?

Mr. KEFAUVER. I was going to say that from reading the testimony of Mr. Clayton, where he testified at length, there is no doubt that Mr. Clayton, by familiarity both with the pact and with the general problem and his experience in government, was well qualified to testify both on the pact and on the proposal for an Atlantic federation.

The Senator from Missouri, in trying to point out an inconsistency, did not read Mr. Clayton's second answer to a statement by the Senator from Utah [Mr. WATKINS] as shown on page 399. I think there is no real inconsistency in his statements.

On page 377 he said:

For this pact is a natural and necessary step on the road to a federal union.

Then he went on to say why that was so; that it is bringing the democracies closer together, and that after the ratification of the pact, he hoped a convention would be called to consummate something more.

Then on page 399, as the Senator from Missouri has pointed out, in answer to a

question by the Senator from Utah [Mr. WATKINS], which was—

As I understand it, you feel that this is a necessary step, the adoption of the Atlantic Pact, in order to form a federal union?

Which is very different from "a natural and necessary step on the road to a federal union."

Mr. Clayton said:

No, sir; I do not. I said that I felt that this was a step on the road to federal union, but I do not think that it is necessary to the formation of federal union at all.

But then, in answer to the next question by the Senator from Utah, as follows:

In what respect do you think that it is necessary, then? Whether you say it is on the road—

Mr. CLAYTON. I think that this is a step that is necessary in order to convince Soviet Russia that the members of this Atlantic Pact will stand together for the preservation of their independence and integrity.

In view of the colloquy, that certainly is entirely consistent with the original statement on page 377, which the Senator from Missouri has just said is so glaringly inconsistent.

In protection of the testimony of a great American citizen and his views, I wished to ask permission to point that out.

Mr. HENDRICKSON. I may add that businessmen are not always as guarded in the use of language as lawyers sometimes are.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. HENDRICKSON. I yield.

Mr. DONNELL. I appreciate the insertion made by the Senator from Tennessee, and I assure him that I had not observed the next response the witness gave. But to my mind, it does not alter the fact that when in his prepared statement he said:

For this pact is a natural and necessary step on the road to a federal union.

And then when the Senator from Utah asked:

As I understand it, you feel that this is a necessary step, the adoption of the Atlantic Pact, in order to form a federal union.

Then Mr. Clayton said:

No, sir; I do not. I said that I felt that this was a step on the road to Federal union; but I do not think that it is necessary to the formation of Federal union at all.

I am quite willing to have the entire statement of Mr. Clayton considered, of course, and I had no intention of eliminating any part of it which should be considered. I had not observed the part to which the Senator from Tennessee has referred; otherwise I would have read it.

But let me continue with respect to a further statement made by the Senator from Tennessee, if I may do so with the consent of the Senator from New Jersey.

Mr. HENDRICKSON. Are the Senator's remarks going to be addressed to the Senator from Tennessee or to the Senator from New Jersey?

Mr. DONNELL. I shall address them to the Senator from Tennessee, if I may do so by unanimous consent.

Mr. HENDRICKSON. Very well.

Mr. DONNELL. The Senator from Tennessee has indicated the fact that Mr. Clayton had not read the North Atlantic Treaty, although it had been a month since it was signed and its text had been displayed throughout the country, and although Mr. Clayton came before the Foreign Relations Committee, as a witness, to testify in favor of the pact. I think that is an element to be considered, particularly in determining the weight of his testimony, particularly in one or two further ways, which I may mention in a moment.

Mr. KEFAUVER. I may say, in answer to that—

Mr. DONNELL. I should like to complete my statement, please—particularly when it is borne in mind—to quote in substance the Senator from Michigan [Mr. VANDENBERG], I think, and the Senator from Texas [Mr. CONNALLY]—that this is not a lengthy pact but, on the contrary, as we have been told on the floor of the Senate, it is a simple pact. I am not so sure about the simplicity of it, but certainly it is not lengthy. The document I now have in my hand comprises the entire text of the treaty, and this document is about the size of the ordinary book page, and consists of four full pages and a few lines on a fifth page. Obviously it would not have taken Mr. Clayton very long to have read this entire treaty. I insist to the Senate that there is a very striking indication in the fact that Mr. Clayton's primary interest was in something besides the pact, something else which induced him to testify before the committee, although he had not read a bit of the treaty, even though it had been signed a month before by the various nations.

In a moment I shall address myself to what was his primary interest.

Mr. KEFAUVER. Mr. President—

Mr. DONNELL. With the consent of the Senator from New Jersey, and by unanimous consent, I yield.

Mr. HENDRICKSON. I have no objection.

Mr. KEFAUVER. In response to the inquiry of the distinguished Senator from Missouri, let me say that undoubtedly Mr. Clayton, in appearing to testify before the Foreign Relations Committee, was in general support of the policy of ratification of the pact, and in general approval of it; and, in addition, he felt that after approval and ratification, we should take another step forward.

Mr. Clayton, as all of us know, is a man of eminent qualification and experience in the field of international affairs, particularly economics and trade. I think it was a very fine thing for the United States Senate and for the Foreign Relations Committee in considering this matter to have an eminent and well qualified citizen like Mr. Clayton appear and discuss the general subject. Mr. Clayton was not appearing as a Philadelphia lawyer or a lawyer from Missouri might be, to diagnose and discuss every semicolon and the exact meaning of every word. But no one can read the testimony of Mr. Clayton over a space of some 40 pages in the record without coming to the conclusion that he had a wide and thorough knowl-

edge of the whole problem involved, that he knew the general policy and principle represented by the treaty, that he was in favor of it, but felt, in the interest of bringing everything together into one package and not having a recurrence of difficulties, that we should later call a convention to see what we could do to further federation.

As a matter of fact, I think it is not unusual for even Members of the Senate, as punctilious as we may be, to consider that they know something about a Presidential message or a bill, even though they have not read every word of it. We grow up with these things.

Mr. DONNELL. Mr. President, if I may interrupt, I ask the Senator, with his consent, whether he thinks it is the ordinary practice in the Senate for a man to come before the Senate in advocacy of an important measure such as this, without ever having read one word of it?

Mr. KEFAUVER. If the Senator will notice, on page 398, Mr. Clayton says that he had read several reviews and digests of it from time to time, which appeared in the magazines and in the newspapers. He further said:

I have read statements of Secretary Acheson on the treaty and I have read other statements of authoritative people in connection with it.

Mr. DONNELL. Yes; I have read that into the record.

Mr. KEFAUVER. Undoubtedly, in the association Mr. Clayton has had and in the discussions back and forth with prominent officials over many, many years, he would be intimately familiar with the intent and purpose of the treaty, even though he might not have read one word of the treaty itself. But I think the Senator should realize that Mr. Clayton was not trying to discuss the technical provisions of the treaty. He was discussing the general principle, and then saying, also, that after ratification we should take another step forward. I think the Senator from Missouri is unnecessarily disparaging the well-considered testimony of a great American, who was testifying not as a technical lawyer or a grammarian on the language of the treaty, when he casts any reflection upon the capacity, the ability, or the knowledge of Mr. Clayton in connection with this whole matter.

Mr. DONNELL. I thank the Senator for the expression of his opinion. Mr. President, may I have the consent of the Senator to continue with my questioning?

Mr. HENDRICKSON. Indeed. I yield with pleasure.

Mr. DONNELL. I may say in that connection that there has been no point made here that Mr. Clayton was appearing before the committee, or should have appeared before it, as a grammarian to discuss the colons and the semicolons. But when a man who has occupied the position Mr. Clayton has occupied in the Department of State—he resigned as Under Secretary of State for Economic Affairs in 1947 and stayed on for about a year as adviser to the Secretary of certain economic matters—comes here to testify before the Foreign Relations Com-

mittee with respect to what is represented to us by numerous speakers as the most momentous change in this country's international policy, certainly since the Monroe Doctrine, and perhaps since the founding of the Republic, I say the fact that he had not even read the treaty, a document we are assured is of a very simple nature, a document certainly of such brevity as to include only about four pages, is something the Senate is entitled to take into consideration in determining whether he had made a thorough study of the instrument which he was advising us to ratify.

Mr. HENDRICKSON. I may observe that the distinguished Mr. Clayton probably felt he knew the spirit rather than the letter of the treaty.

Mr. DONNELL. I shall not comment further on what he undertook to demonstrate in his testimony. His testimony speaks for itself, and, if I may, I should like to have every Member of the Senate read every word of the testimony of Mr. Clayton, and also of Mr. Lovett, two gentlemen whose testimony might be and should be of importance in determining the meaning of such obligations as we enter into in respect to the economic policies of our country.

Mr. President, if I may, I should like to ask the Senator from New Jersey, does he not agree with me that the primary interest of Mr. Clayton, as his testimony shows, was not so much in the pact, except as a temporary measure, but that what he was primarily interested in, in his testimony, was in pointing out that the pact is a step, whether necessary or only convenient, toward effecting a union such as that advocated by the Atlantic Union Committee? Was not that his primary purpose?

Mr. HENDRICKSON. I do not know. I do not know what the gentleman's primary purpose was. I would not want to try to read his mind. From the discussion of the distinguished Senator from Missouri, it would appear that that might have been his primary purpose.

Mr. DONNELL. Mr. President, may I have the Senator's indulgence to ask whether he thinks my conclusion is justified by such an observation as the one I am about to read, appearing at page 391, in the questioning of Mr. Clayton by the Senator from Arkansas [Mr. FULBRIGHT]? I read:

Senator FULBRIGHT. Would it be fair to say that your attitude is that this pact is a fine thing, but of a temporary nature, there is no lasting solution to it, and one of its principal merits is to give an opportunity to something along the lines you mentioned, of unity, to come about?

Mr. CLAYTON. That is the way I look at it. I think it gives a breathing spell.

Senator FULBRIGHT. That seems to me to be its principal function. We long since learned that we cannot rely on permanent protection, unless they turn into a political affiliation.

Mr. HENDRICKSON. Mr. President, I do not question the justification of the Senator's conclusion. He is justified in drawing conclusions of that sort, but I think it is rather unfair to ask me what Mr. Clayton's purpose, or main purpose, or primary purpose was in appearing before the Foreign Relations Committee.

I have never discussed the matter with the gentleman.

Mr. DONNELL. I have simply wanted to ascertain from the Senator what his conclusion is from reading the testimony of Mr. Clayton, as to what was the primary point he was endeavoring to make.

Mr. HENDRICKSON. My conclusion is that his primary purpose, his primary motive, his great objective, in appearing before the committee, was to try to direct the committee's thought into the channels of world peace through some sound union of nations.

Mr. DONNELL. Yes; and I think the Senator's observation is well borne out by the statement of Mr. Clayton himself, at page 379, after a question. I might read two answers; in fact, it is necessary, to read just a little more:

Senator WILEY. You used the word "federal" in the last two instances, and previously you used the words "Atlantic union." Do you differentiate?

Mr. CLAYTON. I do not think so. I use them in the same sense. I mean a federal union of Atlantic democracies.

Senator WILEY. Under the pact?

Mr. CLAYTON. No; I do not associate it with the pact, except indirectly. It is broader than the pact. By federal union I mean a political and economic union.

The United States, having more to lose than any other country, should take the lead in calling a convention of representatives of the nations composing the Atlantic Pact, to explore how far they can go, in forming a federal union within the Charter of the United Nations.

Mr. President, will the Senator yield for a further question?

Mr. HENDRICKSON. I yield for one more question.

Mr. DONNELL. Does the Senator mean just one more?

Mr. HENDRICKSON. I may extend it a little.

Mr. DONNELL. If it were to be but one more, I thought I would select my question. I ask the Senator whether he will be kind enough to turn to page 614 of the hearings. This is the testimony of Mr. Justice Roberts. I call his attention to the fact that, as previously indicated—

Mr. HENDRICKSON. Did the Senator say page 614?

Mr. DONNELL. Yes; page 614.

Mr. KEFAUVER. That is the testimony of Mr. Patterson.

Mr. DONNELL. That is the testimony of Mr. Patterson, who, it will be recalled, as I have previously indicated, testified as "a vice president of the Atlantic Union Committee" and as a citizen. I call the attention of the Senator to the following question and answer appearing at page 614:

Senator DONNELL. The name of your committee, "Atlantic Union Committee," has been somewhat explained, I think, by particularly Mr. Justice Roberts, as indicating that the committee is formed in advocacy of a federation of democracies; is that right?

Mr. PATTERSON. Yes, sir.

Senator DONNELL. These democracies would include the United States of America; would they?

Mr. PATTERSON. Yes.

May I pause to inquire of the Senator from New Jersey at this point whether the federal union to which he has re-

ferred in his very interesting address this morning would include only democracies? Is that his thought?

Mr. HENDRICKSON. No; that is not my thought.

Mr. DONNELL. Would Portugal, for instance, be admissible to the union, under the Senator's thought?

Mr. HENDRICKSON. Yes.

Mr. DONNELL. I want to develop a very few questions, and I shall try not to trespass much longer upon the time of the Senator or of the Senate. I should like to mention, however, in emphasis of this point, that I am of the opinion, and I want it clear in the RECORD, that the testimony of Messrs. Clayton, Patterson, and Roberts was primarily in advocacy of just what the Senator has so eloquently advocated here today, namely, the formation of a federal union at some future time. I want the people of the country to know, if they will, from hearing this information, just what is envisioned by the proponents of the North Atlantic Pact in advocacy of that sort of thing.

I should like to ask the Senator to turn, now, to page 614 of the hearings, and observe whether I correctly quote from Secretary Patterson, as follows:

Senator DONNELL. I was referring to the Atlantic Union as contemplating the formation of a union between not only democracies on one side of the Atlantic but at least one on the other side of the Atlantic, namely the United States of America. I take it, Mr. Secretary, that although you are favoring the North Atlantic Pact for itself, that you are also favoring it as a step in your judgment toward the ultimate creation of this Atlantic Union to which you refer; is that right?

Mr. PATTERSON. That is right.

I ask the Senator if he will turn to page 615 of the hearings and observe whether this is the testimony of Mr. Patterson as to what he envisaged in this federal union toward which the North Atlantic Treaty is conceived of by these gentlemen as a step, in one breath, by one man, as a necessary step, and in another breath a step not necessary, but proper, or words to that effect.

Mr. HENDRICKSON. For the RECORD, I should like to say that I do not consider it necessary. I think it is an important step.

Mr. DONNELL. I understand the Senator's view. His view is that the North Atlantic Treaty is an important step toward the formation of a Federal Union, not necessarily similar to that envisaged by Messrs. Patterson, Roberts, and Clayton.

Mr. HENDRICKSON. That is correct.

Mr. DONNELL. I call the Senator's attention to this questioning of Mr. Patterson at page 615 of the hearings. I might say for the RECORD, that Mr. Patterson is former Judge Patterson and former Secretary of War, a very distinguished gentleman whom I know and whom I regard most highly. I read:

Senator DONNELL. You speak of this proposed organization of the free countries of the world as being a federal union. Do you consider the United States of America a federal union?

I noticed the Senator used the expression "a great Atlantic union of the free." It is the same thought I had in mind

when I spoke to Secretary Patterson in this language:

Senator DONNELL. You speak of this proposed organization of the free countries of the world as being a federal union. Do you consider the United States of America a federal union?

Mr. PATTERSON. Yes, sir.

Senator DONNELL. So that this organization that you are advocating would be an organization analogous in large part, if not in all details, to the Union of the 48 States of our country; is that right?

Mr. PATTERSON. Analogous to it, but it would not be as firmly knit, certainly in the beginning phases, as the United States of America.

Senator DONNELL. How about in the ultimate phases, as distinguished from the initial phases?

Mr. PATTERSON. You would have to take that as it came.

Senator DONNELL. Would you contemplate the organization of a congress similar to the present Federal Congress of the United States of America, which Congress would operate for the federal union of all the free countries of the world?

Mr. PATTERSON. Not similar to the Congress of the United States, but a congress, or legislative body, yes.

Senator DONNELL. There would be a legislative body which would pass laws which would apply to all of the component entities, one of which would be the United States of America; is that right?

Mr. PATTERSON. Yes, sir; within the limited fields.

Senator DONNELL. Which include the political, economic, and military fields?

Mr. PATTERSON. Yes, but, of course, limits within those fields, too.

Senator DONNELL. Could you tell us what those limits are?

Mr. PATTERSON. Those are the limits where local interests were believed to be predominant.

Senator DONNELL. And who would decide whether or not they were predominant?

Mr. PATTERSON. That would be in the charter that you would adopt.

Senator DONNELL. Would you plan that the union itself, the Atlantic Union, would decide whether or not local interests were predominant, or would each particular component country in that union have the right to determine whether local interests were predominant?

Mr. PATTERSON. No nation would join it who thought its proper local interests would be infringed.

I shall not read further on that particular point. There is more, and Senators should read it.

I ask the Senator to turn to page 616 of the hearings. After having discussed the legislative branch of the federal union of the nations of the world this question occurred:

Senator DONNELL. Would you have not only a legislative department in the Atlantic union but also an executive department?

Mr. PATTERSON. I just do not know about that. I have not given it thought, myself.

Senator DONNELL. And you do not know of anyone that has explored that point?

Mr. PATTERSON. It has been explored, possibly, but not by me.

Senator DONNELL. Would there be also a judicial department in the Atlantic union?

Mr. PATTERSON. I suppose there would have to be.

Senator DONNELL. That would be somewhat in the nature of the Permanent Court of International Justice that came out of the First World War, and perhaps similar to the court under the existing United Nations Charter?

So, Mr. President, I ask the Senator if the general thoughts suggested by these gentlemen, Messrs. Patterson, Roberts, and Clayton, are the ones which, in general, are favored by the Senator from New Jersey and toward which he regards the North Atlantic Treaty not as a necessary step, but as an important one.

Mr. HENDRICKSON. Generally speaking, the Senator is correct. I pointed out in my main address that there were three groups working toward this objective, and marching in the same direction. I said very specifically that it would be my purpose to support all three of those groups until they reached a point at which some honest and sound compromise could be effected.

Mr. DONNELL. Does the Senator have in mind that there would be a convertible currency issued by this proposed federal union which would be utilizable in all the nations of the world, so we would no longer have to depend upon individual currencies?

Mr. HENDRICKSON. That is my conception.

Mr. DONNELL. Along that line I find this question, at page 388 of the hearings:

Senator FULBRIGHT. The inconvertibility of currency today is one of the principal obstructions to trade.

Mr. CLAYTON. Yes, sir.

Senator FULBRIGHT. That would be one of the principal objectives of such a program.

Mr. CLAYTON. That is right.

I think I should say, in fairness, that I am not quite clear whether the Senator from Arkansas [Mr. FULBRIGHT] was talking of the ECA or of the proposed union in his reference to the program, but that is the thought, as I understand, which is mentioned there.

Finally, would the Senator have in mind that in such a union toward which he regards the North Atlantic Treaty as an important step there would be an assumption of the consolidation of the debts of these various countries to be taken over by the union; or has the Senator given thought to that?

Mr. HENDRICKSON. I have given thought to that, Mr. President, but my thought has not crystallized into any definite form. There are too many other far more important steps to be taken before we get to that phase of the situation.

Mr. DONNELL. One final question, which I assure the Senator is final. Does not Mr. Clayton indicate that at least to some extent, in his own mind, this matter of the consolidation of debts seems to have been also considered and, possibly, some positive conclusion arrived at? I read from page 381 of the hearings:

The CHAIRMAN. Would your idea be to consolidate all the debts of the various countries that might join, or leave the debts to be dealt with by each nation?

Mr. CLAYTON. Of course, Mr. Chairman, that was one of the big thorny questions that the Thirteen Colonies had to decide.

The CHAIRMAN. That is true.

Mr. CLAYTON. You remember Alexander Hamilton was a great exponent of the idea that the new Union should not only assume the debts of the Confederacy that preceded it but also assume the debts of each individual State of the 13 States. His

position prevailed in the end, but after a great deal of difficulty. It was proven to be a very wise decision.

I am just suggesting now that we should call a conference of representatives of these countries to discuss this matter to see how far they could go. Whatever I would say would be my own personal idea on it. I have checked on some of these statistics, however. If you take the debts of most of the democracies and convert them from their currency into ours at realistic rates of conversion, in other words, at market rates, and measure them by population, by national income, and things of that kind, their debts are not so much greater per capita than ours.

I thank the Senator for his patience.

Mr. HENDRICKSON. I am perfectly willing to leave it to the financial experts. I do not claim to be a financial expert.

Mr. KEFAUVER and Mr. BALDWIN addressed the Chair.

The PRESIDING OFFICER (Mr. O'CONNOR in the chair). Does the Senator from New Jersey yield; and, if so, to whom?

Mr. HENDRICKSON. I yield first to the Senator from Tennessee.

Mr. KEFAUVER. I first wish to compliment the Senator from New Jersey upon his very excellent dissertation and discussion of this subject. As I understand the Senator's view—and I feel that I have substantially the same view—we cannot permanently rely upon a treaty or an alliance for the protection of the peace, and the bringing together of all the elements which must make for peaceful relations between the nations involved.

Mr. HENDRICKSON. I think history has proved that to be a fact.

Mr. KEFAUVER. What the Senator would suggest, and nothing more, is that after the ratification of the Atlantic Pact, in which we have a further manifestation of the desire of the Atlantic democracies to work together for their common interest, the President should call a convention of representatives of the sponsoring nations to see what further steps might be taken toward arrangements for their further protection and working together.

Mr. HENDRICKSON. Yes; for the purpose of good, wholesome exploration.

Mr. KEFAUVER. The distinguished Senator recognizes that there are other elements which go toward bringing about unity of purpose and of cooperation, and the maintenance of peace, other than merely military matters.

Mr. HENDRICKSON. Precisely.

Mr. KEFAUVER. That it is necessary to have at least a common foreign policy, that there must be some economic cooperation, and there must be worked out some method whereby we can have stable currencies so that we can trade with one another.

Mr. HENDRICKSON. It seems to me that must ultimately come if we are ever to have permanent peace in the world.

Mr. KEFAUVER. It occurred to me, and I wondered if the Senator felt this way about it, that considering what has been happening for the past 25 or 30 years, we have actually been doing all these things anyway, though on a piecemeal basis, and on a much more costly

basis. Actually we have been stabilizing currencies, and putting money into other nations, although largely relieving ourselves from any right of control or say-so about what happens with it; and we are called upon ever so often, and it has been our national interest to comply, to lend money or goods or merchandise to the other democracies in the North Atlantic.

It is my feeling, and I wanted to ask the Senator if it was his feeling, that if we could bring all these things together, so that we could have some control over what the other nations did with the things we gave them, have a common foreign policy and a real economic and monetary and foreign policy union instead of simply a military alliance, we would be taking a real step toward peace.

Mr. HENDRICKSON. That makes good business sense to me.

Mr. KEFAUVER. I thank the Senator. He has made a great contribution to the discussion, and I wish to join him, and I may say I know other Members of this distinguished body are also interested in sponsoring such a proposal, after the pact has been ratified.

Mr. BALDWIN. Mr. President, will the Senator from New Jersey yield?

Mr. HENDRICKSON. I yield to the Senator from Connecticut.

Mr. BALDWIN. First, I wish to congratulate the Senator upon his excellent contribution to the thinking in the field of international relations. He has made a most thought-provoking and constructive speech.

It has been urged very strenuously that if a Senator votes to ratify the Atlantic Pact he will have to vote to implement it, and that is just as strenuously denied. My question is, it is not the Senator's position, as I understand, that a vote for the Atlantic Pact commits a Senator to vote for a federal union of the Atlantic states; is it?

Mr. HENDRICKSON. I am glad the distinguished Senator from Connecticut asked that question, because I wanted my position in the matter clear in the RECORD. I feel very definitely that legally there is no obligation at all on a Senator to support any armament program merely because he supports the pact.

Mr. BALDWIN. Does the Senator also feel that one's support of this pact does not necessarily commit him to a federal union of the Atlantic states?

Mr. HENDRICKSON. Strictly speaking, no, but personally I feel very much as the distinguished Senator from Oregon feels, that if I vote to support this pact, then I shall be obligated, at some time in the future, to support some reasonable program, within our economic limits, to supplement the needs of those who are signatories to the pact. It is entirely a moral feeling, within my own being; as a lawyer I would be thinking contradictory to that.

Mr. DONNELL. Mr. President, I am hoping the Senator will answer the question asked by the Senator from Connecticut. I do not think he has answered the question yet.

Mr. HENDRICKSON. I think I did answer it.

Mr. BALDWIN. I have to agree with the Senator from Missouri, but we have

not gotten quite up to that yet, if the Senator from Missouri will permit me to continue with one or two questions.

In other words, considering what the distinguished Senator from New Jersey has already said with reference to the implementation of the treaty, would he feel that it would be better to wait, so far as the implementation of it is concerned, until the Council or the Committee provided for, I think in section 9 of the treaty, is established, and until that Council meets and deliberates on this particular question?

Mr. HENDRICKSON. Very definitely I feel we have to wait until the Council meets and acts. I do not feel that there is any moral or any other obligation on any Senator to act in this matter until there has been a report of the Council. When I answered the previous question I was thinking beyond the Council. I was considering the matter as having already been settled.

Mr. BALDWIN. The Senator's position is that he does not feel morally obligated now, nor does he feel that any other Senator would be morally obligated, because of voting for the Atlantic Treaty, immediately thereafter to vote for the implementation of it by sending arms from this country to the signatories.

Mr. HENDRICKSON. Definitely not.

Mr. BALDWIN. Nor does the Senator feel, as I understand, that a vote for the Atlantic Pact necessarily obligates him or any other Senator to vote for any form of federal union, no matter what might be hereafter proposed.

Mr. HENDRICKSON. No obligation of that sort at all is incurred under the treaty.

Mr. BALDWIN. In other words, if the Senator chooses, he may take this as the end of what we are going to do right now about the matter—

Mr. HENDRICKSON. Absolutely.

Mr. BALDWIN. Or he may consider it as a step, first, to the implementation of the treaty by the giving of arms for a military alliance, or the implementation of the treaty by further Congresses in an effort to develop a federal union of Atlantic states for some better and more effective form of organization to establish a rule of law in substitution of the rule of arms for the settlement of international disputes.

Mr. HENDRICKSON. Mr. President, the distinguished Senator has been reading my inner thoughts, but he expresses them more eloquently than I could.

Mr. BALDWIN. I thank the Senator.

Mr. HENDRICKSON. I yield the floor.

Mr. FLANDERS. Mr. President, I ask for the floor that I may make a statement on the North Atlantic Pact.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. WILEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Alken	Cain	Donnell
Anderson	Capehart	Dulles
Baldwin	Chapman	Eaton
Bridges	Chavez	Ferguson
Butler	Connally	Flanders

Fulbright	Lodge	O'Mahoney
George	Long	Pepper
Gillette	Lucas	Robertson
Graham	McCarran	Russell
Green	McClellan	Saltonstall
Gurney	McFarland	Smith, Maine
Hayden	McGrath	Smith, N. J.
Hendrickson	McKellar	Sparkman
Hill	McMahon	Thomas, Okla.
Hoyer	Magnuson	Thye
Holland	Malone	Vandenberg
Ives	Martin	Watkins
Johnson, Colo.	Maybank	Wherry
Johnson, Tex.	Morse	Wiley
Johnston, S. C.	Mundt	Williams
Kefauver	Neely	Withers
Kilgore	O'Connor	Young

The PRESIDING OFFICER. A quorum is present.

Mr. FLANDERS. Mr. President, I read with great interest the speech made on this floor day before yesterday by the junior Senator from Tennessee [Mr. KEFAUVER] in favor of the federal-union movement. I also listened with great interest to the speech by the junior Senator from New Jersey [Mr. HENDRICKSON] today on the same subject. The question was raised in connection with the federal-union movement as to whether the North Atlantic Pact is or is not a necessary step toward that organization. I am speaking this afternoon to express my conviction that it is not a necessary step toward federal union or toward any other desirable end; that it is not merely an unnecessary step but also a dangerous one.

Mr. President, since I expressed on this floor last Thursday my doubts as to the wisdom of the Atlantic Pact much that was troubling me has become clear in my mind. This clarification has been effected both by the debate on the floor and by further consideration of Senate Resolution 133, which I joined with nine other Senators in introducing.

Let me say at once that the 10 Senators are in agreement on Senate Resolution 133, but not necessarily on the pact. Some will vote for it; some will vote against it. It is possible that some are still undecided.

My own duty has become plain as I have listened to the debate. No one could voice more strongly or more effectively the convictions I have held with regard to the contest for the minds and souls of men than did the senior Senator from New Jersey [Mr. SMITH] in his fine address yesterday. This conviction is fundamental to my own approach to this great problem. I wish a way could be found to give him and give me the assurance that the same kind and degree of energy and intelligence would be employed for reaching minds as is devoted to destroying bodies.

Other members debating on the floor have made more and more clear, as time went on, the impossibility of separating the pact from the rearmament of Europe. No matter how painfully we divide these two undertakings in our own minds, we cannot separate them in the minds of our European friends, and our State Department has been a party to their understanding. To refuse them the material aid on which they so confidently depend will be to them a severe blow from which they cannot recover without conviction of deceit and double dealing.

Mr. President, I have listened to many words and eloquent words trying to per-

suade us that the pact supports the United Nations. These eloquent words carry my convictions no further than to conclude that the pact supports the United Nations in the same way that a prop supports a weakened structure.

We can choose action in this emergency which will direct us toward the purposes and methods of the United Nations instead of away from them. The senior Senator from Ohio [Mr. TAFT] said on the floor yesterday that he believed "all nations must ultimately agree, if we are to have peace, to an international law defining the duties and obligations of such nations, particularly with reference to restraint from aggression and war." He also believes "that there should be international courts to determine whether nations are abiding by that law, and * * * that there be a joint armed force to enforce that law and the decisions of that court." This is in accordance with the spirit and purposes of the United Nations Charter.

He also gave favorable comment on the proposal to create within the United Nations as large a group as possible devoted to improving the United Nations itself. He called attention to the support of this idea by Mr. Hamilton Fish Armstrong and expressed some degree of sympathy with Senate Resolution 133.

Finally he, and other Members of this body as well, have expressed themselves as favorable to a Monroe Doctrine which is extended to cover the free nations of Western Europe, defining any attempt to violate their territory as an act unfriendly to us.

Mr. President, out of this debate there has arisen in my own mind substitute action which is greatly preferable to that represented by the Treaty. It preserves the positive spiritual values on which the United Nations Charter was launched. It builds on that great document instead of superseding it. It moves toward law and justice instead of toward uncoordinated force.

This highly preferable alternative is to join an extended Monroe Doctrine with the action called for in Senate Resolution 133. This, Mr. President, gives us the complete and workable alternative to this dangerous joint undertaking of the North Atlantic Pact and the rearmament of Europe. We can make a unilateral statement of our attitude and our purpose. We can take the lead in building up the United Nations to the point where it is fitted and able to perform the work for which it was designed, including, particularly, the organization of a United Nations armed force. This is the purpose and effect of Senate Resolution 133.

By taking affirmative action on these two policies, we speak to Russia as effectively as to our determination as we could on the Treaty, and without the same resistless provocation to her to develop her own armament as fast or faster than we develop ours.

We furthermore give to our European friends the assurance that we will support them, while at the same time we diminish the necessity for that support.

Instead of putting the United Nations away in moth balls, "it may be for years and it may be forever," we refit it and reequip it to play the part which the

hopes of mankind set for it in the months following the San Francisco conference.

Finally, Mr. President, this proposal is solidly based on Senate Resolution 239 of the Eightieth Congress to which the senior Senator from Michigan has so often referred. It is based upon the positive features of that resolution and on the high possibilities it contains for supporting a peace offensive. It avoids the one defensive and dubious element which alone has been implemented by this Treaty.

With all the seriousness at my command, I urge this body that it request the promulgation of a Monroe Doctrine which covers Western Europe as well as the Americas, joined with the action indicated in Senate Resolution 133. The Treaty before us is deceitful, dangerous, defensive, and founded on fear. The alternative course is courageous and constructive. Let us vote down the Treaty, and proceed on the better course.

Mr. President, at this point I have finished reading the manuscript which I had prepared. While preparing it, I read a letter from a man who is a stranger to me, a Mr. C. E. Whitehouse, of the Globe Mail Agency, Inc., 148 West Twenty-third Street, New York City. I feel constrained to read certain paragraphs from his letter into the RECORD, because there is contained in it such a keen analysis of the follies involved in building up national contingents in Europe, and of the advantages of the international police force. I now read from Mr. Whitehouse's letter:

The international police force is the test whether we are going to forestall the next world war, or not. We can have world law which won't be worth the paper it is written on, if no independent world army exists to back it up. But it will not be possible to set up an international armed force, without setting up at least some world law, and some world government for its direction.

The international army (not national contingents) under independent control (vetoless) is the acid test of any effective plan for international peace. The saddest feature of the international picture is that no such step has been taken, or is even contemplated, except in the vaguest type of lip service. Our State Department is quite as lacking in any such initiative as the other nations. Over \$1,000,000,000 proposed for arms to national governments, and not 10 percent or even 1 percent proposed for an international force.

When we talk about international peace, we are talking about the existence and employment of armed forces first, and the direction of their effort against aggression and to forestall attack second. It is no use to talk about keeping the peace against aggression with an army if we had one. We must have it first.

The following I think is an important paragraph:

The testimony of the heads of our armed forces will testify on the record of both World Wars I and II that the tendency of national armies, which we are proposing to build up at an expense of billions over the next few years, will be to fight individually to defend their own territory in the event of attack. Not only will they be overwhelmed individually but their resources and manpower will be incorporated by the conqueror to fight against us, as the Czechs, Poles, Russians and Chinese will be forced to do in the approaching war.

The next war will cost us the equivalent of 500 billions, or more; so the waste of a

few billions in advance now is only of relative importance, but the prospect of its being self-defeating is vital. If the opposition to the arms appropriation can be rallied around the demand for an international army, as part of a world-wide defense against absolutism, it can take a constructive turn with prospects of incalculable savings.

In the first place, although it is a new weapon in its direction, it can be supported on sound military grounds by our own national armed forces as well as those of other defense-minded nations. It is a new ally, professionally trained, and available to be sent to the borders of any threatened area, where it might not be politically feasible to send United States troops or the forces of any other nation.

Secondly, it could not be used for aggression, and hence could not be feared, or used as the target for accusations of imperialistic aggression, or the cloak nationalistic designs. It would not be great enough, nor have the supporting homeland, to attack any great nation, and the opposing interests of the great nations would not permit it to attack any small one. This danger that the international armed force, which we do not yet have, should become a danger in itself, verges on the fantastic—but it will be raised. The real danger will be that, if organized, it will be too small to do any good, but that is a fault which can be remedied, if we get something to build on.

Third, the existence of such a force is the only way to secure the effective coordination and full use of defense resources. German troops are among the best and could be enlisted in large numbers. Such a development is quite impossible in the light of French fears, and with good reason. On the other hand, they could be incorporated as part of an international force without any such difficulty. Witness the fact that the French Foreign Legion is largely former German soldiers.

Once formed, and partly located in Germany, it would relieve the United States of expense since it could be recruited at much lower cost than United States soldiers. It would strengthen the confidence of Europeans, who are afraid of what will happen when the United States soldiers go home, and will have the support of the Germans, superseding Nazi and anti-Nazi antagonisms, because they will regard it as permanent new order in which other nations will share equally, and not as a temporary military occupation following which they will look forward to building up their military power again.

Fourth, it is the only peaceful way to weld the conflicting nationalistic aims of the European nations into one defense unit. The united resources and manpower of Europe are ample to secure its defense against Russia, and to buy all the food and raw materials they need, without any support from the United States. At present, there is no answer to what is going to happen at the end of the Marshall plan, except more of the same.

The United States would contribute to the support of the international army along with the other nations. They would value it, and regard it as their army, not as a hand-out from the United States which for some inexplicable reason is filthy rich, and they born poor but meritorious (and with their proper pride, as well).

They would solicit its purchases and make suitable arrangements for its convenience, cutting red tape and finding ways to erase political difficulties. It would not be subject to political blackmail to support this or that legislative bloc, which is suspected to have happened quite often to the bounty of Uncle Sam.

It would introduce a wholesome tendency to budget the armed expenditures of the nations in the light of what is necessary for each nation's role in the defense of a united

Europe rather than the maximum individual effort. That tendency would achieve more effectiveness with lower budgets, less bureaucratic staff, and greater financial stability.

Fifth, the achievement of effective world government within proper limits would be made much more probable. To set up a full scale world government at one stroke, out of a convention, even if limited to "democratic" nations (which could include Russia, according to her own definition), is an attempt full of chances of failure on many points.

For the United States to earmark a portion of its European arms appropriation to form an independent international army is immediately possible. For the United States to make the balance of the appropriation contingent on the eligible nations making similar appropriations is also merely a matter of legislation.

For the representatives of the United States and those eligible nations meeting to arrange the conditions under which it will operate, the appointment or election of its chief executive, and the scope of his authority, is a far simpler undertaking than a purely world government convention. This is especially true in that the nations will be anxious to get their share and there will be some pressure urging them to reach agreement.

Once established with an army and even the rudimentary government and law necessarily involved, with even the partial adhesion of the nations concerned, the progression into a full-fledged world government can be carried forward steadily.

At this point I must say in conclusion that I do not look forward to the possibility of a full-fledged world government as anything that we shall attain or desire within our time, but I do look forward to the possibility of a government which can legislate and which can enforce its laws in the limited area which properly belongs to the maintenance of world peace.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MUNDT. In connection with the discussion about the international contingency, since history is replete with alliances which have fallen apart because the armies of one portion of an alliance eventually come into conflict with the armies of another, I wonder whether the Senator agrees with me that one great advantage of an international police force or contingent is that it provides a cohesive policy to tend to hold the alliance together.

Mr. FLANDERS. I believe, Mr. President, with the Senator from South Dakota, that we have mucilage instead of gunpowder in that outfit.

Mr. MUNDT. In the Western Hemisphere, the armies of the United States have tended to provide that adhesive policy, even when occasionally some of our neighbors to the south have had unpleasantness among themselves.

Mr. FLANDERS. I think that is true.

Mr. MUNDT. As to the world as a whole, an international contingent might do the same thing.

Mr. FERGUSON. Mr. President, I wish to speak on the question which is now before the Senate, the North Atlantic Pact. The foreign policy of any nation is an expression of its own self-interest in its relations with other nations. It follows that foreign policies

must change as national self-interests change.

Foreign policy in an atomic age, with aircraft capable of carrying an atomic bomb half-way around the world, with guided missiles and all the other modern methods of making war, is of necessity an entirely different thing from the foreign policy of a nation with sailing ships, or battleships, or even two-engined bombers.

A history of American foreign policy illustrates the phases through which a nation's foreign policy will develop, each phase fitted to suit an interest of that moment.

Samuel Bemis, an outstanding historian, has stated the fundamental bases of a nation's foreign policy only somewhat differently from the way I have. He has said that the bases of a foreign policy of any state are security for the state—which is the primary interest of self-preservation, and what that state stands for in the world.

Adapting those bases to American foreign policy, he observes that—

In terms of security, American foreign policy first meant the winning and preservation of our independence as an Atlantic Coast Republic in a world of rival colonial empires; afterward, security to expand through the empty continent of North America to found a continental republic fronting on the two great oceans; then, security for our established domain and for our republican and democratic institutions in a world of legitimate divine-right monarchy; next, in a new order of world politics and power ushered in by the twentieth century, security for the whole republican New World against the menace of imperialistic colossi arising and joining in the Old World; finally, security for all free peoples against the new imperialism of today.

The common thread which runs through that fabric is one of isolation from world problems, based on a philosophy of live and let live. In all the ins and outs of our diplomatic relations, some of which brought us to the brink of war and some of them to war itself, there was no hint of leadership in world affairs.

Even such landmarks of policy as the Monroe Doctrine and the Open Door in China were concerned with a particular situation in a particular area. Even our participation in World War I and its aftermath was marked by reluctant and eventually negative collaboration on a global basis.

Our refusal to assume or exercise world leadership was symbolized by the period of 20 years after the First World War. Our foreign policy in that period was said to have been characterized by five principles, each expressing in its own way our denial of any desire toward world leadership; isolation, anti-imperialism, disarmament, neutrality, and pacifism.

A high light of our negative attitude was our economic isolationism, which resulted in our absolute refusal to cooperate in the important London Economic Conference of 1933. Also, when war threatened in Europe, Congress adopted another characteristic expression of national policy in the neutrality acts of 1935 and 1937, designed to keep the United States out of any war.

That legislation said in effect, to all other nations, that the United States had no interest and no stake in a foreign war. It said we would not enter what was purely a conflict to preserve the balance of power in the Old World. It even said that we would not allow the democratic allies of western Europe to replenish their depleted forces from the potential arsenal of American supplies. We refused even to trade in arms for fear that trade might involve us in conflict we did not want and felt we could avoid.

Then came the flames of war itself, in Europe. Its fire kindled new ideas of America's place and of America's responsibility in world affairs. From that time on we had two foreign policies. The first was that which was declared to the world and to our people. It preserved the traditional belief that wars were not of our making and therefore none of our affair. It said that we would never send soldiers to fight on foreign soil, nor to fight unless we were directly attacked. It insisted that we could maintain our neutrality. It said that everything which appeared to be a preparation for war was being done only in the name of peace.

But there was another foreign policy. It was a secret policy, for despite rumblings and stirrings, the Nation was not prepared for it and not yet ready to accept it. The principal reason for this was that our people had been deceived as to real conditions and lulled into a sense of false security by adoption of the announced policy.

Such revelations as there were of the secret policy came only in partial glimpses, and then they were skillfully discounted in their significance. Repeal of the arms embargo feature of the neutrality acts and substitution of war materials sales on a cash-and-carry basis, the 50-destroyer transfer to England, the first lend-lease act, and the shoot-on-sight order against submarines were progressive signs of the secret policy.

Hidden and secret, however, were the real pattern and the significant details of this secret foreign policy. It was the policy expressed in the Atlantic Charter meeting. It was the policy which made secret tactical plans between our Chiefs of Staff and those of England. It was the foreign policy which in the summer of 1941 prepared an army and complete plans for occupation of the Azores.

It was the foreign policy which secretly built airfields in South America, giving money to private corporations to build them in their own names. It was the foreign policy which, on August 17, 1941, sent a secret message to the Japanese which could only be interpreted as an expression of our intent to engage in the raging world conflict.

It was a foreign policy so inconsistent with our professed isolationism that it could not come into the open until Pearl Harbor. It was a policy of purpose, but of concealment, which placed such a strain upon its authors that Secretary of War Stimson, in his diary, said:

When the news first came that Japan had attacked us, my first feeling was of

relief that the indecision was over and that a crisis had come in a way which would unite all our people.

In contrast to that foreign policy, which sensed but could not acknowledge or avow that the fate of the United States is linked with the fate of every other nation, is our foreign policy today.

War crystallized the feeling that America's interests are world interests. It sharpened our sense of responsibility in world affairs.

With the other burdens it thrust upon us there came also a realization that America, strong and powerful as it is, must assume leadership in world affairs to protect its own position.

Atom bombs, guided missiles, jet fighters, six-engined bombers focused attention on the need for a global policy. And our people in self-defense have come to demand it.

Our people today ask and expect a global policy. They recognize the need for our leadership, as an expression of self-interest, in a world which contains all the potentials for its own destruction unless someone will exercise the enlightened leadership necessary to head off and prevent the holocaust.

I have said there is a contrast between today's policy and the foreign policy which immediately preceded Pearl Harbor. A major difference, as can be seen, is candor. I want to emphasize that of all the elements that go into a foreign policy none is more important than is candor.

President Woodrow Wilson's ideal of open covenants openly arrived at captured the imagination and enthusiastic support of all Europe 30 years ago because Europeans recognized the root of all their difficulty over centuries lay in the evils of secret diplomacy.

The Atlantic Pact is a new and revolutionary departure in American policy. Not the least of its innovations is that we lay our cards on the table for all to see, and we draw a line which none can mistake.

One of the chief reasons for the debate on the Atlantic Pact on the floor of the Senate is that the people of the United States will know the problems and extent of their responsibilities, and that the world may know just where we stand.

Such frankness as the pact represents is not just a refreshing development in foreign affairs. It promises a new basis upon which to erase the misunderstandings and duplicity which have disrupted peace throughout history. That is a landmark of foreign policy in itself.

Our vacillating foreign policy has not been good either for the United States or the world. The North Atlantic Pact which runs for 20 years will bring to America a permanency and stability in her foreign policy.

We have had an example of permanency and stability in our Western Hemisphere policy—the Monroe Doctrine—which has been the instrument for maintaining the peace for more than a century.

The North Atlantic Pact could become another such instrument for peace and stability.

The requirements of a new foreign policy, to fulfill our realization that this country cannot just share but must lead in the solution of world problems, have been translated into two paramount objectives.

The first is establishment of an adequate world organization which will provide security for all members of the world community—security against aggression and conquest in all the forms they take.

The characteristics of such an organization are inherent strength to meet its purposes and enforce its policies, and a means of communication, cooperation, and coordination in all international relations.

The second objective is the creation of world conditions which will make it possible for our kind of democracy to thrive among all the nations of the world.

We stress democracy as we know it because we believe it affords the peace, plenty, and constant progress which means security for all peoples.

All other things being equal, the second objective would be attained within the first. That was our dream when we sponsored the United Nations, for the United Nations is our image of the first objective for an international organization which will provide security and a common vehicle for carrying out international relations.

But it has been our sad experience that while we must, and still do, pin our hopes upon the ultimate success of the United Nations, it has so far proved inadequate. Had all nations cooperated under the United Nations this North Atlantic Pact would not have been necessary but, because of this lack of cooperation, it is obvious that this supplemental step is necessary.

There are many reasons for the failure of the United Nations. We can honestly say the fault has not been ours. We have used none of the restraints upon orderly procedure and progress, such as the veto, which were within our power to use. We have cooperated to the extent of joining in and supporting all the specialized and related agencies which represent activity within the United Nations.

We have been a good member of the United Nations.

The Senate of the United States, while constitutionally not entitled to determine our foreign policy except through its constitutional power to pass upon treaties, does exert an influence upon the President who carries out our foreign policy. The Senate advises him by resolution as to what it believes to be the national self-interest, and the road the foreign policy should follow.

The junior Senator from Michigan with others has been interested in steps to strengthen the United Nations. He introduced in the Senate for a group of Senators, on July 9, 1947, Senate Concurrent Resolution 23, and on April 12, 1948, Senate Concurrent Resolution 50.

The Congress passed Senate Resolution 239, Eightieth Congress, which is known as the Vandenberg resolution.

The Vandenberg resolution states that the Senate reaffirms the policy of the

United States, to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest.

We notice in the pending treaty that the 12 nations signing it reaffirm the policy to achieve international peace and security through the United Nations. Resolution 239 advised the President of the sense of the Senate that this Government should pursue certain objectives through the United Nations.

Those objectives may be summed up briefly as:

First. Voluntary agreement to remove the veto from all questions involving pacific settlement of international disputes and situations and from the admission of new members.

Second. Progressive development of regional and other collective arrangements as are based on continuous and effective self-help and mutual aid and as affect our national security. The Atlantic Pact comes squarely under this advice.

Third. Maximum efforts to obtain agreements to provide the United Nations with armed forces as provided by the Charter and to obtain agreement among other member nations upon universal regulation and reduction of armaments under adequate and dependable guaranty against violation.

One reason for United Nations failure to live up to all expectations is that undoubtedly we were led to expect too much. Realities and history did not justify the hope for immediate and sweeping success which some claimed for the fledgling organization.

The facts were that the organization itself was born in an atmosphere and in circumstances of unreality. It was a product of the war. We were at war at that time. It was a product of forced cooperation between nations which were still fighting a common enemy.

If it was not a shot-gun marriage which gave birth to the new organization, it was at least one arranged amidst shot. It was the sort of marriage that every-day experience teaches cannot be permanent.

The great fault, however, has been the failure of one member to use the United Nations for anything but its own purposes.

That member has blocked all progress by its use of the veto power; it has employed all the techniques of frustration available to it; it has used the organization only as a sounding board for its own propaganda purposes.

It is an important and significant fact that the United Nations could not be organized today. Russia would not permit it; she would not join. Russia would refuse cooperation, just as today she withholds cooperation and refuses to permit the United Nations to function in a manner that will accomplish its purposes.

The reason is clear. The underlying philosophy of the United Nations is republican, that is, representative of majority will. It provides for open debate. It is devoted to the protection of minorities, or smaller nations. In its intended form its sanctions would be applied to

carry out the will or the policy of the majority.

Russia's idea of a world organization is quite different. Its idea is expressed in the use of the veto, and in its use of the United Nations for its propaganda values alone. Because Russia feels toward an international organization as she does, because she uses the machinery of the United Nations as she does, the United Nations has not proved adequate for the purposes we set up for it.

It follows that in order to achieve our second objective, of world conditions in which democracy may thrive, we have gone outside the framework of the United Nations. This was done with the Greek-Turkish loan, with the Rio Pact, the European Recovery Program, the North Atlantic Pact.

What do all these represent? What is it fundamentally that we are seeking in our foreign policy? It is the foremost expression of our national self-interest in these times. It is the code by which we must decipher our various moves. It is the keystone of our foreign policy.

It is just this—

We seek a world of free people; the right of people to self-determination of their government and their rulers and to be free from aggression; the philosophy, in international relations, of live and let live.

To understand self-interest in our objectives is to understand our stake in these times, and to understand the meaning of our foreign policy. But we are opposed in our objectives. And mark this well, too, one of the vital reasons for the North Atlantic Pact is an understanding of the system which opposes us and the reasons for that opposition.

We are opposed by a system which would destroy us straight down the line and straight across the boards. Those who oppose our principles do so to impose their system upon the whole world. Their system must seek dominion over all others because it is so rigid and so unyielding it can permit no compromise. It is a system of absolute and inflexible discipline and controls from top to bottom and covering every phase of life with which it has contact, economic, political, social, cultural, and religious; and where it remains. It is, in short, a system whose philosophy utterly baffles the comprehension of the western mind, because we do not think in terms of the absolutism it represents.

It is thus that we describe the gap between East and West. It is the conflict across this gap that we know today as the cold war. That conflict may be described also as civilization's battle of the crossroads. It is a conflict which engulfs every man.

Now let me point out how Soviet Russia proposes to win the world domination that is so essential to it and an impelling reason why the pact should be ratified. I want to describe some of its techniques. Let me emphasize that communism's techniques are not haphazard, nor merely opportunistic. They are detailed. They are infinitely varied. Above all they are scientifically calculated, and they are deeply ingrained in its workers.

Those who believe in Russia's philosophy do not enlist for a day, nor for pay.

They give their whole lives to perfecting and putting into effect the techniques of communism.

Lenin has said:

We must train men and women who will devote to the revolution not merely their spare evenings but the whole of their lives.

That is something about our opponents we must remember.

Communism's hold of absolute discipline over the bodies and souls of its followers makes it possible for its agents to carry out its practices and techniques and purposes in details which the free minds of free Americans find difficult and too often impossible to comprehend.

The fundamental objective of communism is of necessity to capture and take over in any situation to which it is exposed, and there is no arena or no area of human activity it does not choose to penetrate.

Failing to capture and take over openly in any situation, the elementary tactic of communism is designed to agitate and frustrate, on the premise that frustration eventually creates a vacuum into which its agents and ideas may move and expand.

The United Nations is a perfect example of this technique, as practiced by the Russians. The international labor movement has likewise seen it. That is why we find today that our labor unions, having recognized this tactic and its aim, are withdrawing from the World Federation of Trade Unions and are seeking to establish their own international movement under democratic principles.

The techniques and tactics of the Reds have been applied, as a matter of fact, at every level of the labor movement. Any union member who has ever been affiliated with a local which has included one Communist or a Communist sympathizer can tell you how accurately I have described their technique.

Fortunately, in the labor movement as a whole in this country, there has come a recognition that communism has no constructive force, but is only negative and destructive. That recognition accounts for the numerous recent purges of Reds in our American unions.

Communism will capitalize on any situation to exploit its purposes through propaganda.

A prime example of this is its conduct whenever anyone is on trial for any communistic activity—its conduct in the Court through those who represent the defendants, its conduct outside the Court, in picketing.

With absolute irony, but typically, those tactics are designed to exploit the opportunities which free institutions provide in order to propagandize their own destructive purposes, and also to discredit the Court as an institution.

A favorite Communist device is to appropriate and corrupt word meanings such as democracy, free elections, liberty, freedom of the press, enslavement, and justice. Perhaps it is as good a proof as any that we are right in our use of the words when they appropriate our terms to give them their meanings.

It is no coincidence that Russia claims for its satellites the true democracy.

Democracy has something to sell and has established a good market, so they take over the brand name and apply it to their product.

It demonstrates how easily the trick works, however, that our representatives at Yalta agreed to free elections in eastern Europe, and then permitted the Soviet to place its own interpretation on the meaning of free and administer the elections.

The sad result was that the United States itself, duped by the double meanings which are a stock in trade of the Russians, helped sponsor the free elections which placed Poland, Hungary, Rumania, Bulgaria, and the satellites behind the iron curtain.

Communism delights in moving in upon good causes and seeking to pervert them to their own use and purposes.

As proof of their purposes I ask whether communism ever contributed anything to the betterment of minorities in America, or to better understanding between races.

That has been an area particularly dear to the Communist movement.

The keystone of Communist tactics is infiltration. Its means are subtle and clever in the extreme.

Infiltration is an essential Communist device because communism not only rests upon its sabotage agents, it must have its intelligence agents. Both can be placed, at the outset, only by infiltration.

Infiltration always is difficult if not impossible to spot, because a Communist agent will deny absolutely his Communist affiliation whenever to reveal and identify himself would be to jeopardize the success of his operation. Communists must endorse the following philosophy, which is a direct quote from Lenin's Maxims:

We must be ready to employ trickery, deceit, law breaking, withholding and concealing truths—we can and must write in language which sows among the masses hate, revulsion, scorn, and the like toward those of differing opinion.

And Communists are masters of denial. Truth has no meaning in communism. Its agents and members are taught as doctrine the principles of deceit, falsification, and perjury.

This is true because outside the cloak of a political movement behind which it masquerades, communism is essentially and necessarily clandestine and secret.

The design behind these techniques is Russia's belief that she can carry out her world ambition without necessary resort to actual military aggression.

To her mind we may have seen the last of armed or physical struggle between nations. She would accomplish her purposes by intimidation, infiltration, absorption, and annexation.

After annexation she would destroy those who do not believe in her system in the concentration camps or by the liquidation process.

She has standing back of her, if this design is not sufficient, the vast Red Army. But it is a solemn warning of the design's strength that she has already acquired more territory and brought under her domination more people, without her use of armed force, than has any other military aggressor in history.

Against those forces we are fighting civilization's Battle of the Crossroads on four distinct fronts.

The first is a military front.

There the enemy has 6,000,000 men under arms, excluding any Chinese it may count upon. We have little knowledge of its air strength, its submarine power, or its atomic weapons. The enemy holds in reserve its Red Army and its military might which would strike when the time is right.

Our principal weapons on this front are the atomic bomb, the greatest peacetime military budget in our history, plus the Atlantic Pact which we are now debating.

Our victory on the military front in this cold war is the extent to which we may not expect to have to use our military weapons.

The second front is political. It involves the alinement of nations in the cold war. We are alining a few nations under the North Atlantic Pact. Victory for us means a break-down of the idea that the conflict of these times is solely between two great countries or two great blocs. The test of our success on this front is the extent to which the smaller nations of Europe and of the world recognize their stake in the cold war and align their interests with ours.

A tremendous impediment and a hazard on this front is that we may be called imperialistic. Nations quite naturally hesitate to align their interests with ours for fear of our complete domination. We have been able to overcome much of this by demonstrating that our motives are not imperialistic, because imperialism means exploitation and we seek to exploit no one.

Our notion of a live-and-let-live world is tremendous ammunition on this political front. As other nations recognize our tolerance of variances they are impressed and more sympathetic. Their alinement with us comes as they recognize that we offer help but do not demand absolute dependence, or absolute conformity in return, and that we provide a recognition of the rights of minorities and smaller nations.

The third front of the conflict is economic, and along it are three phases of battle.

The first phase is a policy of economic aid which is aimed at restoring order and self-sufficiency out of chaos in those nations whose economies were devastated by war. The second phase occurs as a condition of our aid and as a necessary objective if rehabilitation in those countries is to be complete or permanent. We seek to foster and develop a feeling for economic interdependence and cooperation through a break-down of the historic barriers to free trade and free exchange of currencies in western Europe.

The third phase on the economic front is domestic. It involves our capacity to produce so that we may afford aid in the first phase of the battle. But it is primarily one of demonstration.

Here we must demonstrate, as the proof of the pudding, that our democratic way of life is a prosperous and a plentiful way of life. This is a crucial battle.

We must remain solvent and productive in our own economy. Otherwise we confess to the world that our system is bankrupt and does not deserve the imitation we seek.

The importance of this battle for solvency, prosperity, and productivity in our internal economy is no better proved than by Russia's argument, in seeking to convert and align the nations of Europe against us, that the American system cannot remain solvent and prosperous. Russia's repeated prediction and its ever present hope is for an economic collapse in the United States. All could be lost if her hopes were satisfied.

The final front in this universal conflict is the propaganda, or psychological front. It is the most important of all, for it cuts across and influences the battle on all other fronts. It cuts across all national lines. It must be waged even in our homeland. It is the decisive battle in the entire struggle. It marks the crossroads.

This is the cold war which goes on in the minds of men. Other wars in history have been fought for the wealth of nations. This is for greater, and more enduring wealth. It is for human souls. It is the critical battle because without victory over the minds of men the cause is lost for either side.

The battle rages about the eternal rivalry between freedom and security. One side says that its system assures security, although man must place his freedom in the hands of the state in order to acquire that security. Our side says that man may have both freedom and security, but that freedom must come first in order to provide an ultimate and greater security.

Our side has its difficulty because freedom is relatively new to men's minds. Men find it hard to believe an apparent paradox, that both freedom and security are possible. This is so because man's experience with freedom is so limited that he cannot recognize the security which resides within freedom.

So it is that throughout the world, and at home, we are losing the allegiance of those who, like Esau, would sell their birthright for a mess of pottage. Freedom, if men will but see it, is their birthright; and security without freedom is an illusion and a poisonous dish.

The contest on this battlefield goes like this:

Shall man have the right to choose, shall he have the right to individuality, shall he have the right to make his way in an individual-enterprise system, shall he have the inalienable rights as set forth in our Constitution and its Bill of Rights? Will it be agreed that "governments are instituted among men and derive their just powers from the consent of the governed"?

Or shall man be placed under a system which promises security, but tells him to surrender to an all-knowing dictator, for the time being, his liberty so that he may later have both?

In simplest terms, the offering is synthetic security on the one hand, held out by the state in a form known as collectivism, socialism, and communism; and on the other hand freedom, as proffered under representative government in an individual-enterprise system.

How does the four-front battle go? Have we made progress with our foreign policy? What are the road blocks which may work against us, and what are the tactical errors that have been committed and which we must avoid for the future or seek to correct? Those are questions to which every one of us seeks an answer, and on which I can only give you my opinion.

The fact that the going has been rough has been one sign that we are moving. The recent Council of Foreign Ministers at Paris was a significant barometer of our progress. No concrete accomplishments can be pointed to as a result of the conference. But at Paris for the first time the Russians appeared uncertain, disorganized, and dispirited. There are signs that the tide has turned, that things are at last going with us.

Our hope must be that by doing what must be done when it needs to be done, with courage, and with resourcefulness, we can get the snowball rolling. We have been courageous and we have been resourceful. We must not hesitate to show those same faculties whenever and wherever they are required to meet stern realities in these times of reality. Whether the snowball, once started, can bridge the gap between east and west in 1 year, 2 years, or ever is anyone's guess, and a better guess can be made from the other side of the iron curtain.

But as I have said, there are signs of real progress, as the breaking of the Berlin blockade showed, as the Council of Foreign Ministers meeting revealed, and as hints of unrest from behind the iron curtain suggest. Nevertheless, we are at best only started. There is much to be done; there are many errors to be corrected, many road blocks to be removed.

In western Europe we seem definitely to have won the first round against communism. The strong Communist offensive there has subsided. Its tactic seems to have passed from offensive to defensive, and the attitude of Communist leaders now seems to be one of keeping what they have in middle and eastern Europe rather than trying to get more in the west.

The Soviets are running into constantly increasing resistance and difficulty in the satellite countries, and there is growing resentment against the conformity patterns of Soviet communism. Why has this happened? It is above all due to the tough fiber of resistance that has been built up in western Europe, primarily as a result of a firm and uncompromising attitude toward Soviet communism which Republican representatives in our bipartisan foreign policy were the first to advocate.

The secret seems to be that Soviet communism is potent as a destructive force only when on the offensive. At Tehran, at Yalta, and at Potsdam it had the offensive. But once it was slowed up by an American diplomatic policy of resistance, it seemed to show within itself the seeds of its own disintegration. It is too rigid, uncompromising and intolerant, for the western European, to be a constructive or creative force in Europe.

While this premise is true, the problem of Europe's future is far from solved.

There is the ever-present threat and fear of aggression. It is the primary purpose of the pact to remove this threat and fear.

The Atlantic Pact raises some questions. In the light of experience under the European Recovery Program, it is fair to inquire rather pointedly, at the outset, into the pact's provision, in article 3, for developing a collective capacity to resist armed attack. Does this mean the pact will be used merely to saddle the American taxpayer with the cost of developing the individual capacity of England to resist, of France to resist, of Belgium, Holland, and Norway to resist? Or will there truly be a common defense, which should result in very considerable economies, since under those circumstances the substantial navy, air force, and other armaments of England, France, and the other countries would become a part of our common defense.

If in the United States each of the States were to develop its own capacity to resist attack, the aggregate cost to the inhabitants of the 48 States would be far greater than the cost of the common defense.

If it is honestly planned and expected to develop a common defense under the Atlantic Pact, this fact can be shown by indicating that, on net balance, after some added costs in Europe, there will be a saving in the budget for our Military Establishment. I take the view that the ratification of the pact and the implementation of arms or aid under it are separate, and that a vote for one does not require a vote for the other.

I should like to say something here about purchasing good will. There are certain things that cannot be purchased or even subsidized, not even with American dollars. One of those things certainly is international good will. Our relations with South America demonstrates the dangers attached to any effort to purchase good will. Our relations with South America are the worst in recent history. For over a decade, we have been putting enormous sums into those countries, but without any regard to the basic improvement of economic and social conditions there. The result is that small cliques hold governmental power, subject to frequent change by revolution. The people as a whole are growing steadily more unhappy and destitute. Anti-United States feeling is growing, and the people there are becoming a real prey to communism or fascism.

Not only must we repair our relations in South America, as a part of our global policy, and in pursuit of our traditionally vital hemispheric policies, but we must seek to avoid any repetition of our South American experience in other parts of the world, by seeking anywhere merely to buy or subsidize friendly relations.

Our Asiatic policy is virtually bankrupt, in my opinion. Such a China policy as we ever had sought to reconcile the irreconcilable. We sought to consolidate the anti-Communist and the Communist forces in China. The result was inevitable failure and, in my opinion, the basis for Soviet China's recent victories. Since that time we have been

doing nothing in China—letting the dust settle, as it is said. That policy in China is completely divorced, completely isolated, and completely in contradiction of what we have been doing in Europe. I find no good excuse for this, as there was, and there is, an opportunity to apply in Asia the same policies that we applied in Europe.

The important thing now is to slow down the offensive sweep of communism in Asia, so that its inability to build creatively will be exposed before it has overrun all of Asia and destroyed existing institutions and the remaining good will which America possesses there.

There is still vast room for application in Asia of an enlightened American foreign policy. There exists in India, Pakistan, Burma, Indochina, Indonesia, and the Philippines, as well as in China itself, loyalty that will provide effective resistance to communism, if cultivated. It is a vast reservoir of good will, if we do not spoil it.

The people of those countries already are drawing together; and we should help to organize them, to slow down the sweep of communism in Asia, and in effect force it to exhibit its incapacity in China before it conquers all of Asia on the basis of a fake reputation. It is not necessary to reconquer China by subsidizing a vast military operation—if, in fact, that were possible. An offer of America's good will to the Chinese will go a long way. Communism will disintegrate in China. The Chinese themselves will take care of that. Chinese nationalism may mean little else, but it does mean a bitter resistance to an outside force; and Chinese communism, like all other communism, is just that. I think one of the things we must accomplish in China is to have the Chinese and those who today are following communism realize that Chinese communism is an outside force, a Russian force, and comes from the Kremlin.

Communism will disintegrate in China because of its inability to solve the problems of China and to realize the hopes which have led many in China to accept it.

We ought not plan to recognize the Communist regime in China, first, because there is the probability I have just described that communism will collapse there, in the face of existing facts, and with our help; and, second, because our experience with communism has shown that it is never in our best interest to seek to do business with the Communists.

It is true that there is some British tendency toward recognition, probably born of the hope for salvaging British political and economic positions in Hong Kong, Shanghai, and in other parts of China. But we cannot afford to, and should not, sacrifice long-range objectives for such temporary expediences. We have won the first round in western Europe, and we could win the second round in Asia. I think we have so far played our cards badly in China. But there are other cards in the deck; and we can win if we play them wisely and well.

Hanging like a shadow over our future foreign policy is the threat of an economic depression in this country. That threat is perhaps the gravest of all men-

aces to our prestige and the success of our policies in Europe, and our policies in Asia and South America, if we have them.

A depression would have serious consequences in impairing our ability to render effective economic assistance to other nations of the world. There would be even more serious consequences, however, if it ever were accepted that the only way to avoid boom-bust in this country is to move further and further toward socialism.

Such a conclusion would give new and damaging impetus to Communist prestige. It would be a serious blow to American prestige if the United States Government were to act as though it could save the situation only by moving toward state socialism, as practiced and promoted by the Communist Party.

Thus it is that foreign and domestic policy are firmly linked and the success of our foreign policy is tied to the nature of our domestic policies.

As a part of our foreign policy we must demonstrate to the world that our Republic can and does create a higher standard of living for the greater number than any other form of government, and that our individual enterprise system offers greater rewards for the greater number than any other economic system.

We must show to the world that our system provides greater liberty and therefore greater security than any other political or economic system.

We must show to the people of the world that when in trouble our system will work, and work effectively. We must show them that to make our system work we do not have to move toward state socialism.

If we do move to state socialism we are going to confess to the people of the world that what we have been telling them in the cold war has been a falsehood.

While we are using the Voice of America as a part of our foreign policy to win over the minds of men in other lands, we should not be neglecting here at home a voice for the institutions and the things for which we stand, and the institutions and the things that have made America great.

I have one thing to fear in government, whether in the administration of foreign policy or domestic policy. That is a vested interest in errors of the past.

Such a vested interest in error creates an inability to rise above and acknowledge past errors. It aggravates and perpetuates them.

Therefore, it is high time that we have a definite foreign policy as to aggression to protect our own self-interest against any potential aggression. Believing that the North Atlantic Pact is the only instrument available to attain this objective, I shall vote for its ratification and feel free to discuss and vote as the facts indicate I should on the implementation of the pact when the occasion arises.

Mr. KNOWLAND and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Michigan yield; and if so, to whom?

Mr. FERGUSON. I yield first to the Senator from California.

Mr. KNOWLAND. I wanted to obtain the floor in my own right.

Mr. FERGUSON. Then, I yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, I was greatly interested in the address made by the Senator. I should like to ask a few questions. In the early part of his address the Senator referred to the point, as I understood, that the North Atlantic Pact makes for permanence in our international policy. Did I correctly understand the Senator?

Mr. FERGUSON. Yes. I had in mind the fact that it continues for 20 years.

Mr. DONNELL. That is what I understood the Senator to refer to. It may be a little old-fashioned to mention here anything about the address of George Washington, some years ago, but the Senator will recall that in that address, the Father of his Country said:

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

I ask the Senator whether he considers that the North Atlantic Pact, which is to last for a period of 20 years, or as he put it, perhaps 21 years, would come within the term "temporary alliances for extraordinary emergencies," as used in the excerpt which I have read?

Mr. FERGUSON. No; I would say that what I have advocated is a longer term than I believe the Father of his Country had in mind. But I tried to stress the fact that I think if the Father of his Country were here today and saw the world as it is today, in comparison with what it was at the time he was speaking, in relation to this continent and this country, he might have different views from those he held at that time. I spent some time in preparing what I had to say to the Senate today, trying to outline what I thought should be the policy of America as it approached the atomic age and the fast, far-flying airplane.

Mr. DONNELL. I thank the Senator. I understood quite clearly the point he had made, and made so very clearly. I understood though, a moment ago, that he would not consider the North Atlantic Pact to be embraced within the ordinary acceptance of the term "temporary alliances for extraordinary emergencies." Am I correct in that?

Mr. FERGUSON. I would not consider it to be embraced in that term.

Mr. DONNELL. The Senator also referred to the policy with respect to China. I made a hurried note to the effect that he had indicated that our Chinese policy had been at least in some respects a failure. Is that correct?

Mr. FERGUSON. Yes. I said it had tried to reconcile the irreconcilable. It sought to join together the Nationalist non-Communist Chinese and the Communists. I think it was a failure. I believe that is why the Communists are moving over China today. I am firm in that belief. I have given it a great deal of study, and I have come to that conclusion. That is why I uttered that sentence on the floor of the Senate today.

Mr. DONNELL. That is what I understood the Senator to mean. What department of the Government would the Senator consider to be primarily responsible for the policy which we have followed in China?

Mr. FERGUSON. The executive department—the President and his spokesman and aide, the Secretary of State.

Mr. DONNELL. That is the same department, of course, that has promulgated the North Atlantic Pact and has recommended it to the Senate. Is that correct?

Mr. FERGUSON. Yes. But I think they had some evidence from the Senate, through the adoption of Senate Resolution 239, that it was the desire of America, at least in the opinion of the Senate, to take the step represented by the North Atlantic Pact. I think it is clear from the resolution that the Congress had thereby advised the President as to the advisability of the North Atlantic Pact.

Mr. DONNELL. The Senator recalls, does he not, the assurances which were given by the Senator from Michigan, both on June 11, 1948, the day of the adoption of that resolution, and subsequently on February 14 of this year, and then, just a few days ago, that Senators are free to vote as they may deem proper on the North Atlantic Pact, notwithstanding the adoption of Senate Resolution 239?

Mr. FERGUSON. Yes; I understand that to be true, and I feel that a Senator should vote as his conscience dictates, after he has all the facts he can obtain.

Mr. DONNELL. I noted, and I mentioned, I think, on the floor of the Senate the other day, the fact that the senior Senator from Michigan [Mr. VANDENBERG] had stated very clearly that he is not asking, and shall not ask, for the vote of any Senator on the ground of the adoption of Senate Resolution 239. Am I correct in that statement?

Mr. VANDENBERG rose.

Mr. FERGUSON. I should be glad to yield to my distinguished colleague to answer that question.

Mr. VANDENBERG. The Senator is quite correct, but he should add that the senior Senator from Michigan reserved for himself the right to argue with his colleagues that, since the North Atlantic Pact is, to the senior Senator from Michigan, a literal paraphrase of Senate Resolution 239, it is highly persuasive of the fact that the President of the United States very faithfully executed a Senate order when he negotiated the North Atlantic Pact.

Mr. DONNELL. Yes, I understood the Senator's position the other day to be substantially that. But I still understand the Senator from Michigan is not asking any Senator to vote for the North Atlantic Pact because of the adoption of Senate Resolution 239. That is correct, is it not?

Mr. VANDENBERG. May I amend it? I am asking no Senator to vote for the North Atlantic Pact because he voted for Senate Resolution 239.

Mr. DONNELL. Or because the Senate voted for it; is that correct?

Mr. VANDENBERG. No. That is a totally different question. I think the

fact that the Senate adopted Senate Resolution 239 is a highly persuasive and important exhibit, but I reiterate what I said in that debate and what I said the other day, that I have always insisted that the implementation of Senate Resolution 239 is a matter for the independent, free right of judgment of any Senator, regardless of his attitude toward the resolution.

Mr. DONNELL. The Senator does not believe, may I ask, that it is obligatory upon any one Senator to vote in favor of the North Atlantic Pact, merely because the Senate adopted Senate Resolution 239?

Mr. VANDENBERG. I do not consider it obligatory upon any Senator to vote for the North Atlantic Pact because he voted for Senate Resolution 239. He is free to put his own interpretation upon what the Senate meant when it adopted the resolution. But, so far as the Senator from Michigan is concerned, the action of the Senate was an advice to the President, which has been faithfully and literally executed, and so far as the Senator from Michigan is concerned, that has some probative force.

Mr. DONNELL. But the Senator from Michigan does not consider, does he, that the Senator from Missouri is bound to vote for the ratification of the North Atlantic Pact because the Senate adopted Senate Resolution 239? I am correct in that, am I not?

Mr. VANDENBERG. The Senator from Michigan does not consider that the Senator from Missouri is required to vote for the treaty because of the adoption of Senate Resolution 239.

The Senator from Michigan has plainly said that every Senator has his own right of judgment; but I consider that the public policy of the Senate as a whole, as to the recommendations of Senate Resolution 239, does present every Senator with a highly persuasive reason for searching his heart and soul with respect to the answer he undertakes to give.

Mr. DONNELL. But, after all, each Senator is allowed to use his own independent judgment when the North Atlantic Treaty comes up for a vote.

Mr. VANDENBERG. That is correct.

Mr. FERGUSON. Mr. President, I should like to say that I think it is persuasive that the Senate, by an overwhelming vote last year, adopted Senate Resolution 239, because it contained what I believe to be the foundation stone upon which this pact is to be erected, namely, the progressive development of regional and other collective arrangements based on a continuance of effective self-help and mutual aid as affects our national security. I took for granted, when the Senate agreed to that resolution, after its experience with the Rio pact and with what was going on in the United Nations, that self-interest required us to make regional pacts if compatible with such self-interest. I believe this pact is compatible with such self-interest, and, as I see it, it should be a part of the foreign policy of the United States.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. DONNELL. The Senator has said that he thinks the adoption by the Sen-

ate of the resolution referred to is persuasive. I take it the Senator does not consider it is obligatory upon me or upon any other Senator.

Mr. FERGUSON. No; in no way. But, to my mind, it is persuasive. It may not have the same degree of persuasiveness to all minds, and, of course, other Senators will vote as they see fit.

Mr. DONNELL. Every Member of the Senate has a moral and legal right to vote as he deems proper.

Mr. FERGUSON. Every Senator is a free agent.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. FERGUSON. I shall be glad to yield.

Mr. DONNELL. The Senator referred to language which he read concerning a regional pact. Does the Senator consider the North Atlantic Treaty to be a regional pact?

Mr. FERGUSON. I do, within section 51 of the Charter.

Mr. DONNELL. I call particular attention to the fact that section 51 of the Charter does not relate to regional pacts.

Mr. FERGUSON. I do not have a copy of the Charter before me, and I may have the wrong section in mind.

Mr. DONNELL. The sections having to do with regional pacts are sections 52, 53, and 54. Does the Senator deem that the North Atlantic Charter is a regional agreement within the terms of sections 52, 53, and 54 of the United Nations Charter?

Mr. FERGUSON. Yes. I feel that it is to our self-interest that we have it.

Mr. DONNELL. I refer to articles 52, 53, and 54 of the Charter of the United Nations, pages 16 and 17 of the copy which I have before me. I understand the Senator considers that the North Atlantic Treaty comes within the terms of chapter 8 of the Charter of the United Nations, entitled "Regional Arrangements," articles 52, 53, and 54. Am I correct?

Mr. FERGUSON. That much is correct.

Mr. DONNELL. I call the attention of the Senator to the fact that an earlier article of the treaty, namely, article 23, states that—

The Security Council shall consist of 11 members of the United Nations.

Is that correct?

Mr. FERGUSON. That is correct.

Mr. DONNELL. And that among the 11 members of the United Nations, of which 11 members the Security Council consists, is the Union of Soviet Socialist Republics. Is that correct?

Mr. FERGUSON. That is correct.

Mr. DONNELL. In other words, that is Russia?

Mr. FERGUSON. Yes.

Mr. DONNELL. I invite the attention of the Senator to the language of article 54, under chapter 8 of the Charter, which says that the Security Council, which obviously includes, therefore, the Union of Soviet Socialist Republics—

shall at all times be kept fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

I have read it correctly, have I not?

Mr. FERGUSON. Yes.

Mr. DONNELL. So I take it that it obligates those within the North Atlantic Treaty at all times to keep the Security Council, which includes the Union of Soviet Socialist Republics—

fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

Mr. FERGUSON. I would say the words "Security Council" do not mean individual nations. They mean the Security Council which is an entity in and of itself, and the Charter itself provides for it.

Mr. VANDENBERG. Mr. President, will the Senator permit me to interrupt?

Mr. DONNELL. Just a moment, please.

Mr. VANDENBERG. The Senator from Missouri is asking the junior Senator from Michigan some rather technical questions, and I should like to contribute a brief comment on the technical fact involved; but I am at the mercy of my friends.

Mr. DONNELL. Will the Senator permit me for a moment to interrogate his colleague?

Mr. VANDENBERG. Certainly.

Mr. DONNELL. Does not article 23 of the Charter of the United Nations read as follows:

The Security Council shall consist of 11 members of the United Nations—

Mr. FERGUSON. Yes; that is correct.

Mr. DONNELL. I read further:

The Republic of China, France, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and northern Ireland, and the United States of America shall be permanent members of the Security Council. The General Assembly shall elect six other members of the United Nations to be nonpermanent members of the Security Council, due regard being specially paid, in the first instance, to the contribution of members of the United Nations to the maintenance of international peace and security and to the other purposes of the Organization, and also to equitable geographical distribution.

I have quoted it correctly; have I not?

Mr. FERGUSON. Yes; that is correct.

Mr. DONNELL. In article 54, to which reference has been previously made in the interrogation of the distinguished Senator, the language is:

The Security Council—

And I call attention to the fact that the capitalization of the words is exactly the same as in article 23—

shall at all times be kept fully informed of activities undertaken or in contemplation under regional arrangements or by regional agencies for the maintenance of international peace and security.

That is the language, at any rate; is it not?

Mr. FERGUSON. That is correct.

Mr. DONNELL. The Senator has referred to relations with South America as being the worst in recent years—

Mr. VANDENBERG. Mr. President, may I intervene at that point?

Mr. FERGUSON. I yield.

Mr. VANDENBERG. I should like to get the record straight at this point. The able Senator from Missouri is correct that this pact is written in part under those sections of the Charter which deal with regional arrangements, but in major part it is written under article 51 to which article 54, which the Senator from Missouri read, does not apply.

Mr. FERGUSON. Article 51 is the self-defense article and article 5 of the pact, which is the heart of the treaty, comes under this section of the Charter.

Mr. VANDENBERG. That is correct. Insofar as regional arrangements are concerned, this pact has the general character of cooperation which the regional-arrangements section of the Charter contemplates, but in its active application I should say it was written exclusively under article 51 with respect to those portions of the pact, which include 90 percent of it, which deal with individual and collective self-defense.

As my authority for my observation, I call the attention of the able Senator from Missouri to the testimony of former Senator Austin, who, as the Senator knows, has been our representative on the Security Council of the United Nations since its inception, at page 96 of the hearings, where Ambassador Austin, who certainly is an adequate authority, makes it very plain that article 51 is the primary source of jurisdiction under which the pact is written in respect to the Charter. Then he said:

And I say, in certain of its aspects the treaty is also a regional arrangement, and insofar as it partakes of those characteristics, chapter VIII of the Charter provides full authority for its provisions.

In other words, the pact is written primarily under article 51 of the Charter, and it takes on a regional character only by general inference.

Mr. DONNELL. Mr. President, will the junior Senator from Michigan yield?

Mr. FERGUSON. I thank my colleague for his observation. I yield to the Senator from Missouri.

Mr. DONNELL. May I ask either of the Senators from Michigan whether there is any place in the North Atlantic Treaty from the beginning to the end, in which article 51 of the Charter is mentioned, except in article 5?

Mr. FERGUSON. Only in article 5.

Mr. DONNELL. That is the one which relates to the agreement that an armed attack against any one or more of the parties shall be considered an attack against them all, "and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked."

Mr. FERGUSON. That is the only place it is specifically referred to.

Mr. DONNELL. That is the only place in the treaty where article 51 is mentioned?

Mr. FERGUSON. That is correct.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. FERGUSON. In other places the United Nations is mentioned. For in-

stance, in the first paragraph of the preamble, this statement appears:

The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations. * * *

Mr. DONNELL. Articles 52, 53, and 54 are also a part of the Charter, are they not?

Mr. FERGUSON. Yes. I read also from article 1 of the North Atlantic Pact:

The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Mr. DONNELL. The point I make, and I ask the Senator if I am not correct, is that the only place in the proposed North Atlantic Pact where there is mention of article 51, to which this treaty refers, and to which the senior Senator from Michigan referred, is in article 5?

Mr. FERGUSON. I would say that the words "article 51" are mentioned only in article 5.

Mr. DONNELL. The Senator to whom I am addressing this question, the junior Senator from Michigan, has been under the impression that the North Atlantic Treaty is a regional agreement within the terms of articles 52, 53, and 54, as previously stated; has he not?

Mr. FERGUSON. I would not limit myself to that. I would want to answer also that self-defense, as covered in article 51, is an inherent feature.

Mr. DONNELL. Article 5 does refer to article 51 by name, and nowhere else is it referred to by name?

Mr. FERGUSON. That is correct.

Mr. DONNELL. In the very preamble of the treaty occurs this sentence, does it not?

They—

That is to say, the parties to the treaty—

They seek to promote stability and well-being in the North Atlantic area.

That is the language, is it not?

Mr. FERGUSON. Yes.

Mr. DONNELL. The last sentence of the preamble reads:

They therefore agree to this North Atlantic Treaty.

That is correct, is it not?

Mr. FERGUSON. That is a correct quotation.

Mr. DONNELL. The Senator has referred to the policy of the Department of State, and I wanted to ask him as to his reference to the relations with South America being the worst in recent years. Under which department of the United States Government have those relations progressed to the worst in recent years?

Mr. FERGUSON. The State Department.

Mr. DONNELL. Some portion of that resultant diminution in the relations came about since the Rio Pact, did it not?

Mr. FERGUSON. Not entirely. As a matter of fact, I think that from a military angle that pact has strengthened relations.

Mr. DONNELL. The relations to which the Senator referred as having become the worst in recent years are relations which have developed under the State Department of the United States?

Mr. FERGUSON. Yes. I think that may have been due to their being engaged to a great extent in the European theater, so that probably men with top ability have not been able to devote their full time to the problems in the area referred to. But the principal failure, as I stated in the main body of my remarks, has been the inevitable failure of a policy based on an attempt merely to purchase or subsidize good will.

Mr. DONNELL. I take it that the Senator would agree, therefore, that the State Department is not infallible in its judgments in the opinion of the Senator.

Mr. FERGUSON. I would not say it is infallible.

Mr. DONNELL. And the State Department, therefore, in giving the Senate advice to ratify this treaty, is not entitled to impute to itself infallibility as to the correctness or incorrectness of that advice, is it?

Mr. FERGUSON. It should not.

Mr. DONNELL. Now I wish to ask the Senator briefly in regard to one other phase. The Senator is a distinguished member of the Senate Committee on the Judiciary, is he not? He will no doubt not agree to the word "distinguished," but he is a member of that committee, is he not?

Mr. FERGUSON. Yes.

Mr. DONNELL. I should like to ask the Senator whether he has had occasion to observe, in the Committee on the Judiciary of the Senate, the introduction of Senate bills 1725 and 1726 by the junior Senator from Rhode Island [Mr. McGRATH] on April 28, 1949, which bills were referred to the Committee on the Judiciary on that date.

Mr. FERGUSON. I am familiar with S. 1726.

Mr. DONNELL. That is a bill entitled "A bill to provide protection of persons from lynching, and for other purposes."

Mr. FERGUSON. I am very familiar with that.

Mr. DONNELL. Has the Senator seen S. 1725, introduced by the same sponsor?

Mr. FERGUSON. I am not so familiar with S. 1725.

Mr. DONNELL. I should like to call to the attention of the Senator language in each of those two bills which I think is substantially the same. I hand the Senator S. 1725 and S. 1726, each introduced by the junior Senator from Rhode Island [Mr. McGRATH] on April 28, 1949. I first call the Senator's attention to the fact that the prelude to what I am about to read from S. 1726 says:

The Congress finds as fact that the succeeding provisions of this act are necessary.

Then I turn to this provision in subdivision (c), on page 2:

(c) To promote universal respect for, and observance of, human rights and fundamental freedoms for all, without distinction as to race, language, or religion, in accord-

ance with the undertaking of the United States under the United Nations Charter, and to further the national policy in that regard by securing to all persons under the jurisdiction of the United States effective recognition of certain of the rights and freedoms proclaimed by the General Assembly of the United Nations in the Universal Declaration of Human Rights.

Does that language occur in S. 1726?

Mr. FERGUSON. Yes.

Mr. DONNELL. I also have S. 1728, which I have not examined in detail, but I can assure the Senator that it is substantially the same as the others.

I call to the attention of the Senator also S. 1724, introduced on January 25, 1949, by the then junior Senator from New York, now the senior Senator from New York [Mr. Ives], for himself and various other Senators, in the course of which appears this language:

This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof to promote "universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."

The Senator having observed these bills, I now ask him whether or not he has noted that in the North Atlantic Treaty, in article 2, there is not merely a statement of purposes, as appears in the United Nations Charter, in which these statements I have made are quoted, but article 2 contains a positive obligation, as follows:

The parties will contribute toward the further development of peaceful and friendly international relations—

By three methods. No. 1:

By strengthening their free institutions.

No. 2:

By bringing about a better understanding of the principles upon which these institutions are founded.

I shall not allude to the third method for the moment.

In view of the introduction of the bills I have recited, and in view of the introduction during the Eightieth Congress of Senate bill 984, by the then junior Senator from New York [Mr. Ives], which was "A bill to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry," I ask the Senator, if the North Atlantic Treaty shall be adopted and ratified by the Senate, if he would not anticipate that the contention would doubtless be made that similar provisions in bills to be hereafter introduced along the lines of civil-rights legislation and similar subjects, are based upon this obligation in article 2 of the North Atlantic Treaty, that "The parties will contribute toward the further development of peaceful and friendly international relations"—and I emphasize the following phrase "by strengthening their free institutions"? Would the Senator be surprised if further legislation hereafter introduced should contain in its preamble a recital to the general effect that in addition to United Nations Charter obligations, so-called, or preambles, that the legislation is

based in part upon this obligation under article 2 of the North Atlantic Treaty, that the parties will "by strengthening their free institutions," do such and such? Would the Senator be surprised if that were to happen?

Mr. FERGUSON. The Senator asks me whether I would be surprised if so and so would happen. I do not want to be facetious, but I may say that I would not be surprised at anything which might be introduced in the United States Senate. I really want to answer the Senator. I should say I might be disappointed, but I would not be surprised.

Mr. DONNELL. But the Senator, I take it, would join with me, would he not, in thinking that it would be entirely probable that proponents of future legislation, having based their legislation, along the lines of the bills from which I quoted, on alleged obligations under the United Nations Charter, would supplement the proposed reasons, as set forth in those bills, by reciting obligations under the North Atlantic Treaty?

Mr. Ives. Mr. President, will the Senator from Michigan yield to me at that point?

Mr. FERGUSON. I am glad to yield to the Senator from New York.

Mr. Ives. The distinguished Senator from Missouri has made mention in his remarks of a bill I have previously introduced. I want to say that I do not recall any testimony having been given at any time during any hearing, that it could be construed to be an obligation on the part of the United States to carry out anything of that type. The idea has always been expressed that were the United States to do it, presumably it would be in conformity with the idea expressed, but I cannot recall an instance where it was contended, during the hearings, that there would be an obligation to do so.

Mr. DONNELL. Mr. President, will the Senator yield to me so I may make an answer to that statement of the Senator from New York?

Mr. FERGUSON. Yes; I yield.

Mr. DONNELL. I may say to the Senator from New York that in his bill, Senate bill 984, introduced during the Eightieth Congress, it is provided:

(c) This act has also been enacted as a step toward fulfillment of the international treaty obligations imposed by the Charter of the United Nations upon the United States.

The same language appears in Senate bill 174, or substantially the same language, at any rate, which was introduced by the Senator from New York on January 5, 1949, in the Senate, during the Eighty-first Congress.

Mr. Ives. Mr. President, will the Senator from Michigan yield to me again so I may make a statement in connection with what the Senator from Missouri has just said?

Mr. FERGUSON. I yield to the Senator from New York.

Mr. Ives. I merely want to point out what I originally stated, that regardless of what may be in the bill, at no time during the hearings do I recall that any one testified or contended that this is an actual obligation.

Mr. DONNELL. I take it that the Senator from New York must have thought that under the Charter of the United Nations there was an actual obligation or he would not have called it an obligation. Merely because nothing has been said in the hearings does not mean that this does not create an international obligation.

I again ask the Senator from Michigan if he would not think it entirely reasonable to expect that proponents of such legislation, after the North Atlantic Treaty has been ratified, acting on the theory of Missouri versus Holland, would base the legislation, at least in part, first upon the United Nations Charter, and, second, upon the North Atlantic Treaty?

Mr. FERGUSON. I will answer that question by saying that I am familiar with the case of Missouri versus Holland. I realize that a few people contend that under that decision a treaty becomes the supreme law of the land and may grant rights to Congress to pass legislation which would otherwise be unconstitutional. Briefly, the facts in the case of Missouri versus Holland, are these: Congress passed legislation in relation to migratory birds, which the court held to be unconstitutional. We then signed a treaty, which was ratified; after its ratification Congress passed identical legislation, and the Supreme Court held the legislation was valid under the treaty.

But by no stretch of the imagination can it be said that when the Senate passed upon the United Nations Charter we were intending to change or alter the Constitution of the United States as it related to domestic affairs. I think that is true because of the fact that we said we ratified it in conformity with the Constitution; we recognized the Constitution as the supreme law of the land. The Charter does not apply to domestic affairs, because there is a specific provision to that effect. I cannot at the moment cite section number of the United Nations Charter which so provides. The bills which the Senator from Missouri has discussed relate to purely domestic issues. So, being a member of the Committee on the Judiciary, I said I would not be surprised at what might be introduced in the Senate. I certainly would feel, however, there would be no justification to report them out of that committee as resting on the treaties.

At the time of the hearings on the antilynching legislation, when the contention was made that anything could be done under the United Nations Charter in relation to civil rights and civil liberties, I felt that was simply not a fact. Those who made such a contention were stretching their imagination, and were suggesting something which the Senate of the United States and the people of the United States never intended nor agreed to do, that is, change the Constitution as far as it related to purely domestic matters.

Mr. IVES. Mr. President, will the Senator from Michigan again yield to me?

Mr. FERGUSON. I yield.

Mr. IVES. I should like to ask the able Senator from Missouri, through the able Senator from Michigan, if the Senator from Missouri would be happier about the whole thing if the word "obligation" were taken out of the bill, and

other language substituted? As the one who introduced the bill, I want it to be distinctly understood that no idea such as has been presented by the able Senator from Missouri is back of the language which he read in the bill.

The VICE PRESIDENT. The Chair would like to admonish the Senator from Michigan and other Senators that an argument between two Senators who do not have the floor over a bill which is not before the Senate is not in compliance with the rules of the Senate. The Chair reminds the Senator that he can yield only for a question.

Mr. FERGUSON. Mr. President, I shall abide by the rules of the Senate. I thought, however, that in view of the fact that the name of the Senator from New York had been brought into the discussion, I should extend to him the right to make the statement he desired to make with respect to his bill.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Missouri, and I shall keep in mind the admonition just given by the Chair.

Mr. DONNELL. What I asked, Mr. President, was merely this: In view of the fact that in at least the bills to which I have referred, one of them introduced in the Eightieth Congress, and the others in the Eighty-first Congress, all of them introduced by gentlemen of high standing in the Senate—as all Senators are, of course—and in addition to which bills I might mention Senate bill 1728, introduced by the junior Senator from Rhode Island [Mr. McGRATH], and referred to the Committee on Labor and Public Welfare, which contains language similar to that contained in the others, I asked the Senator whether he would not deem it entirely probable that those who proceed upon the theory that we may base legislation of this type on the United Nations Charter, would themselves attempt to base further legislation along similar lines not only on the United Nations Charter but also on the North Atlantic Treaty?

Mr. FERGUSON. I will answer that by saying that there is a school of thought which contends that under Missouri against Holland the treaty, in its words, repeals the Constitution of the United States and becomes the supreme law of the land respecting domestic issues. I consider that not to be true. I believe that we must take into consideration the intent of Congress when it enacts legislation. Congress has in mind certain things when it enacts a law. Domestic legislation was excepted from the treaty. It was not the intention by ratifying the treaty to repeal the Constitution of the United States. Therefore, so far as domestic legislation is concerned, its constitutionality will not be supported by this treaty, or the United Nations Charter.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. FERGUSON. I yield.

Mr. DONNELL. The same logic—or lack of logic, as the Senator considers it to be—would justify a Senator in introducing legislation based upon the idea

that the North Atlantic Treaty creates such an obligation as would justify the introduction of the other proposed legislation on the theory that the United Nations Charter conferred certain authority.

Mr. FERGUSON. As I have stated, there is a certain school of thought along that line with which I wholeheartedly disagree. After hearing the contentions of that school of thought, and finding that theory expressed in the antilynching bill, and finding that a certain group of people were contending that by the United Nations Charter the United States had repealed the Constitution so far as States' rights were concerned, I made a study of the entire problem. I reached the conclusion that treaties must be read from the four corners of the language they contain.

While the language of the opinion of the Court in Missouri against Holland does follow to a certain extent that line of reasoning, there was involved a treaty expressly designed to accomplish the purpose for which the law was enacted. The United Nations Charter was adopted for another purpose. It is not within the meaning or intent of the United Nations Charter or of the North Atlantic Pact to repeal the Constitution. That is not the purpose of this treaty.

Yesterday I asked the able junior Senator from New York [Mr. DULLES] whether, in his opinion, the treaty, under article 3, would in any way give to the President of the United States any powers which he did not presently have, because I wanted that subject covered in the RECORD. Personally I feel that it does not give him any powers which he does not now have, and that it was not intended to add to the President's powers. Therefore I wanted it on the RECORD as a part of the legislative history, so that anyone, including the President himself, who might read the RECORD would understand that we are not conferring additional powers upon the President. That is why I think these debates are good, because they provide a legislative history of our intent in enacting the legislation which we are passing.

Mr. DONNELL. The Senator realizes, does he not, that I do not at all contend that the case of Missouri against Holland permits the treaty to set aside the Constitution of the United States. I do not construe it to mean that.

Mr. FERGUSON. I take it for granted that is true. I agree with the Senator.

Mr. DONNELL. It is a little difficult to enter into a full discussion of Missouri against Holland without going into it at considerable length, and without examining it at the moment so as to have the facts before me. However, as I recall, the decision in the case of Missouri against Holland merely held, in an instance in which a statute had been previously enacted by Congress, that the President and the Senate had never asserted, by treaty power, rights over migratory birds, but that subsequently a treaty, within the treaty power of the Nation, was ratified which expressly dealt with migratory birds, and in view of the constitutional provision Congress was entitled to approve statutes in aid thereof.

Mr. FERGUSON. That treaty was approved for the express purpose of giving Congress the power to enact a statute, and, therefore, within the meaning of the Constitution, when the treaty becomes the supreme law of the land, it is permissible to enact such legislation.

Mr. DONNELL. The Senator is not under the impression, is he, that I take the position that the case of Missouri against Holland gives authority for the treaty-making power to set aside the Constitution?

Mr. FERGUSON. The Senator from Missouri is not of the school of thought which is contending, in connection with the antilynching bill, for example, that it can be enacted because the Constitution has been repealed by a treaty provision.

Mr. DONNELL. I thank the Senator for his very cooperative assistance.

Mr. WHERRY. Mr. President, I should like to submit a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. We are now discussing a treaty. Amendments to the treaty are in order, are they not?

The VICE PRESIDENT. They are.

Mr. WHERRY. If an amendment to the treaty is adopted by the Senate, it requires renegotiation of the treaty with the signatory countries, does it not?

The VICE PRESIDENT. That is not a parliamentary inquiry.

Mr. WHERRY. Nevertheless, I should like to submit the inquiry.

The VICE PRESIDENT. As a matter of law and practice, the Chair believes that if it were an amendment which substantially changed the meaning of the document, the treaty would have to be renegotiated.

Mr. WHERRY. My question was, if the treaty were amended, would renegotiation be required?

The VICE PRESIDENT. A treaty cannot be amended. The language of the treaty cannot be amended. It can be done only by a reservation which interprets the meaning of the treaty. As the Chair understands, a treaty cannot be treated as a bill so far as amendments are concerned.

The Parliamentarian advises the Chair that that has been done. The language of treaties has been amended. The Chair did not recall that.

Mr. WHERRY. In that case it would have to be renegotiated, because the signatory powers would have to accept the amendment.

The VICE PRESIDENT. The Chair is of the opinion that it would. Otherwise it would be a unilateral arrangement about which the other countries to the treaty had not been consulted, and in which they did not participate.

Mr. WHERRY. Mr. President, I should like to submit a further inquiry. Would an amendment to the resolution of ratification, if adopted by the Senate, require renegotiation of the treaty?

The VICE PRESIDENT. It would have to be sent to the signatory powers for their ratification or their further consideration before it could become effective.

Mr. WHERRY. Would the distinguished occupant of the Chair ask the Parliamentarian his opinion on that question?

The VICE PRESIDENT. It is customary for the Chair to consult the Parliamentarian, but the Parliamentarian can not render decisions.

Mr. WHERRY. I should like very much to have the Chair submit that question to the Parliamentarian and get his answer, because I should like to make it a matter of record.

Mr. CONNALLY. Mr. President, a point of order.

The VICE PRESIDENT. If necessary, the Chair will consult the Parliamentarian on that point, in chambers, and not in public.

Mr. WHERRY. Mr. President, may I ask the distinguished Presiding Officer once again, if an amendment which is not an amendment to the treaty is made to the resolution of ratification, is it not then unnecessary to renegotiate the treaty, although it is true that if a member nation did not consent to it, it could withdraw? Am I correct in that statement?

The VICE PRESIDENT. The Chair feels that that is more in the nature of an inquiry concerning the international practice carried on by the State Department with foreign officers than a parliamentary inquiry. The Chair feels that his statement on that question would not necessarily be binding on the Senate. It might depend upon practice and usage among the various countries in relationships conducted by the State Department and not by the Senate. It might depend altogether on the nature of the reservations as to whether they would have to be renegotiated. On that question it is the judgment of the Chair that the Department of State would have a better opinion than that of the occupant of the Chair, or even the Parliamentarian.

Mr. WHERRY. Mr. President, may I submit a further question, for purposes of clarification?

The VICE PRESIDENT. Certainly.

Mr. WHERRY. It is the general practice, is it not, that generally speaking, amendments to the resolution of ratification are not required to be renegotiated?

The VICE PRESIDENT. As the Chair understands, the practice is that reservations which affect the meaning of the treaty as it has been negotiated, either by interpretation or otherwise, are communicated to the signatory powers through the ordinary channels. As to whether a technical renegotiation by reassembling of the delegates and foreign ministers would be required, the Chair is unable to answer that question. However, from time immemorial the practice has been that when reservations are added to the resolution of ratification which in effect substantially change the common understanding as to what the treaty means, or which constitute a unilateral interpretation of it, they are submitted to the nations involved through such diplomatic processes as are customary. It may be that such reservations could be agreed to by those nations without a formal reassembling of the dele-

gates. But certainly they would have to be assented to by any one of the signatories before it would be bound by such reservations.

Mr. WHERRY. Of course, Mr. President, if I may continue the parliamentary inquiry a step further, let me say that I agree that any reservation affecting the terms of the treaty would have to be renegotiated. But that was not my question. Perhaps I did not make my position clear.

I am speaking only of the resolution of ratification. With respect to an amendment to the resolution of ratification, is it not the general practice and custom that such an amendment does not have to be renegotiated?

The VICE PRESIDENT. It has to go through some form of intercommunication between the country making the reservation and the other signatories. Whether that is called renegotiation or whether it comes about by assent of the other countries, is a matter about which the Chair would not be dogmatic. But, in the case cited by the Senator from Nebraska, there would have to be some sort of negotiation, correspondence, or conference between our State Department and the other countries, to determine whether they assented to the reservation or change.

Mr. CONNALLY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair is trying to answer one now.

Mr. CONNALLY. I wish to discuss it. I thought the Senator from Nebraska was through.

Mr. WHERRY. I am not through yet, but I shall be glad to yield to the Senator from Texas, if he wishes to have me do so.

Mr. CONNALLY. Mr. President, let me suggest to the President of the Senate that any change in the resolution ratifying the treaty goes to the very heart of the matter. If such a change does not mean anything, it has no business being adopted. But if we were to modify the resolution which ratifies the treaty, that modification would have to be submitted to the other signatory nations, because they might not agree to the modification. So, as to any such change, they must act—not necessarily by a reconvening of all the signatory nations, but they could do so by diplomatic letter or note.

The VICE PRESIDENT. That is the position the Chair took, namely, that a reservation added by the Senate to the resolution of ratification, affecting the meaning of the treaty, would not stop there and could not stop there. It would have to go to the other countries in some form or fashion, in order to get their reaction to it and their action upon it.

Mr. CONNALLY. Any reservation, whether to the treaty or to the resolution of ratification, if it did not affect the treaty or the resolution of ratification, would be of no use, so what would be the sense of offering it? If one were to be offered, it would be offered on the theory that it would change the treaty, on the theory that it would give a different interpretation to the treaty, when added to it, so that thereafter the treaty would be interpreted differently from the

way it would have been interpreted without the change.

Mr. WHERRY. Mr. President, do not I have the floor?

Mr. CONNALLY. Mr. President, I thought the Senator from Nebraska had yielded to me.

Mr. WHERRY. I did, but I did not yield to the Senator to have him make a speech.

Mr. CONNALLY. The Senator from Nebraska has been making speeches for quite some time.

Mr. WHERRY. Nevertheless, Mr. President, I yielded for a question.

Mr. CONNALLY. Very well; I shall desist, if the Senator from Nebraska wishes to be that offensive about the matter.

Mr. WHERRY. I do not wish to be discourteous. I shall yield further, if the Senator from Texas wishes to have me do so.

The VICE PRESIDENT. Of course the Chair controls the time.

Mr. WHERRY. That is correct.

The VICE PRESIDENT. The Chair wishes to hear the Senator from Nebraska.

Mr. WHERRY. Yes. If I have to cut off the inquiry of the distinguished Senator from Texas, I indeed regret it, and I shall yield the floor to him.

Mr. CONNALLY. I do not recognize that the Senator from Nebraska controls the floor, Mr. President. The Chair can recognize any Senator he wishes to recognize.

The VICE PRESIDENT. The Chair thinks he has answered the parliamentary inquiry as propounded thus far.

Mr. WHERRY. Mr. President, I have not finished my parliamentary inquiry. I rose, and was recognized by the Chair, to make a parliamentary inquiry. I did not object to having the Senator from Texas propound a parliamentary inquiry, but then I thought he had started on one of his speeches, apparently chastising any Senator who might offer a reservation to the resolution of ratification.

So far as I am concerned, I have offered a reservation to the resolution of ratification, and I have done so in good faith. I did not do so with any thought of hurting or destroying this pact. I wish that understood.

Certainly if we are ever to talk about amendments or reservations, this is the time to do so. The fact that a Senator offers a reservation does not mean that to any degree he is attempting to change or hurt the North Atlantic Pact or to interfere with its ratification.

Mr. President, I propound this further parliamentary inquiry: Is there a difference between an amendment to the treaty and a reservation to the resolution of ratification?

The VICE PRESIDENT. There may be a difference; but in either case the State Department must communicate to the other signatory powers either the reservation interpreting the treaty or an amendment to the treaty itself. Whether that would be done by diplomatic letter or by further conferences is not a matter the Chair can determine. It would depend upon their custom and convenience.

But in any case, a change either in the treaty or in its meaning or in the interpretation of its meaning—any reservation at all—must be submitted in some way by our State Department to all the other signatory powers.

Mr. WHERRY. Let me ask this further question, and then I think I shall be rather clear regarding the matter, although I humbly disagree with the interpretation which has been made by the Chair.

The VICE PRESIDENT. Let the Chair ask the Senator from Nebraska a question: How else would the other signatories know that we had adopted a reservation, if it were not communicated to them by our State Department?

Mr. WHERRY. I think a change which in any way changed the sense or the meaning of the treaty—for instance, if a new word were added or if a word were stricken out or if another "t" were crossed or an "i" dotted—would be a change in the treaty itself, and in that respect would be subject to renegotiation. For that reason, because of the impact on the other nations, I think it would be a mistake to make a change in the treaty itself.

Therefore, I ask whether there is not a difference between a change in the treaty itself or a change in the language of the treaty or an amendment thereto and a reservation or change in the resolution of ratification which might require an explanation or declaration by the Senate of the United States, but which would not change the treaty itself. Does the Chair understand what I mean?

The VICE PRESIDENT. There may be a difference in effect between a change in the resolution of ratification and a change in the language of the treaty. But in any case, our Government, through its diplomatic channels, must bring to the attention of the other signatory powers any change made in the language of the treaty or any interpretation through reservation. Whether that be done by letter or through our ambassadors abroad or through some other method, is a matter for the determination of our State Department and the President, who conducts our foreign relations; but it must be done in some way or other.

Mr. WHERRY. In other words, if I correctly understand the Chair, it is a question of negotiation, also, even if a declaratory sentence is added to the resolution of ratification; and I suppose any nation could object to that and could withdraw.

The VICE PRESIDENT. Yes; or it could say, "We do not accept that interpretation"; and that statement in itself might bring on a renegotiation, and it might be possible to have a meeting of minds on that matter.

Mr. WHERRY. Yes. So there is a difference between an amendment to the treaty itself and a reservation to the resolution of ratification, is there not?

The VICE PRESIDENT. There is not always a difference, but there may be a difference, depending altogether on the text of the reservation itself.

Mr. WHERRY. I thank the Chair.

Mr. KNOWLAND. Mr. President, the North Atlantic Pact is before the Senate

for ratification or rejection. As on most public questions, there is an honest difference of opinion as to what is the best course of action for our Nation to pursue.

To me the overwhelming evidence weighs in favor of ratification.

Twice in the 41 years of my lifetime this Nation has been involved in world wars. Prior to each we had attempted to maintain a splendid isolationism. However, it did not work.

In both wars we were fortunate in being on the winning side. Our own contribution in manpower and resources was tremendous. Our allies could not have won without our assistance. But candor requires that we not lose sight of the fact that without allies, to take up the first shock of attack while we were preparing for war, we might have been on the defeated side.

Had men in responsible positions paid more attention to Hitler's Mein Kampf they might have been better prepared for his reoccupation of the Rhine, the seizure of Austria, the demands at Munich, and the onslaught on Poland.

Now we face a potential aggressor that has consistently preached an international doctrine of destruction to our way of life of far greater magnitude than anything preached by Nazi Germany. We are on notice that international communism is bent upon the destruction of our way of life wherever it exists. To fail to recognize the realities of the situation is worse than folly.

No nation that does not have aggression in its heart need fear this pact. It is defensive in character and within the framework of the United Nations.

Our best hope, in my opinion, of staying out of future wars is to prevent future wars from breaking out. We cannot be unconcerned about acts of aggression, wherever they may occur. As a supporter of international law and order and in conformity with the Charter, we have the right to join in such a regional pact and the obligation to stand firm against overt aggression, wherever it may occur. Our obligations are not greater, but they are more clearly defined and cannot be obstructed by any veto of the aggressor power itself.

There is no requirement in the treaty that we supply arms to the other signatories. It is my belief that in our own national security it may be advisable for us to do so. I reserve the right, as does every other Senator, to exercise judgment as to what, if anything, should be supplied in the way of implementation, and to whom it should be supplied.

Such implementation may come in a considerable part, out of our own war reserves. It would be prudent, I believe, for the Foreign Relations Committee to yield to the Armed Services Committee the jurisdiction over the implementation legislation. Whatever we do is bound to have an effect upon our own Military Establishment. This makes it a proper subject to come within the jurisdiction of the Armed Services Committee. It will give a balanced committee consideration, and this will be better for the legislation and our own national defense.

Failure to ratify the pact would be a fatal blow to our friends in western Europe. Within hours, if not minutes, of

such news the forces of disintegration would be at work. The hot breath of the bear would be on the necks of the people still outside the iron curtain. Despair would give way to terror. Across a hundred air waves the voice of Moscow would proclaim that America had returned to isolationism and that the western powers should make the best deal possible while there was yet time for them to do so.

Underlying it all would be the memory of Petkov hanged, Masaryk's suicide, and Mikolajczyk fleeing for his life. One by one the Kremlin would pick the fruits of our folly.

In this day of the airplane and the atom, we can no more return to isolation than a man can return to childhood. We have come of age. We will either fill the place of leadership to which destiny has called us or we will sit by and see the Soviet Union occupy the vacuum we create. Today, no nation other than America is in a position to lead and mobilize the forces of international law and order.

It was Lincoln who said:

Fellow citizens, we cannot escape history. The fiery trial through which we pass will light us down in honor or dishonor to the latest generation * * * we, even we here have the power and bear the responsibility * * * in giving freedom to the slave we assure freedom to the free * * * we shall nobly save or we shall meanly lose this last best hope of earth.

What we do is not without risk. To me it is a greater risk if we abdicate our responsibilities. I shall support the pact without reservations. I shall vote to implement it to the extent that our national interests require.

Mr. LANGER. Mr. President, first of all I wish to say that from my State, neither my colleague nor myself—and I saw the junior Senator from my State [Mr. Young] a few moments before I began to speak—has received a single letter, a single telephone call, or a single telegram in favor of the North Atlantic Pact. I have before me scores and scores of letters and petitions from the State of North Dakota, every one of which, without exception, expresses opposition to the North Atlantic Pact.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. LANGER. I yield.

Mr. CONNALLY. Were the letters to which the Senator refers written after the Senator from North Dakota had made public his position on the treaty?

Mr. LANGER. Some of them were written before, some afterward.

Mr. CONNALLY. Most of them were written afterward, though, were they not?

Mr. LANGER. No, I would say not. They are dated, and will show, I believe, that the majority of them came before the announcement of my position. I may say that my colleague the junior Senator from North Dakota [Mr. Young] has not yet announced his position. So I say it is my belief that the people of the State of North Dakota are very overwhelmingly opposed to the ratification of

the treaty. Later on I shall put some of these letters and telegrams into the RECORD.

Mr. President, I want to go back to the time of the Connally resolution. I was one of seven Senators who voted against it. I have always been very, very proud of that fact. It is interesting to note that, at the time the Connally resolution was being considered by the Senate, one of the most distinguished Senators who ever sat in this body, the late Senator Henrik Shipstead, of Minnesota, a man who had had a long and varied experience upon this floor, made a speech and voted against the so-called Connally resolution. What Senator Shipstead said at that time was almost prophetic. I am going to read a part of what he said, found at page 9175 of the CONGRESSIONAL RECORD of November 5, 1943. I may say that former Senator Shipstead was at that time a member of the Committee on Foreign Relations of the Senate. I read:

Mr. SHIPSTEAD. Mr. President, in addressing myself to the Senate on the pending resolution, I desire to say that I voted to report the original resolution from the Committee on Foreign Relations. I did so for several reasons. One reason was that while the resolution had been prepared and considered by a subcommittee of the Committee on Foreign Relations—there had been no hearings—the first I saw of the resolution was when I came to the final meeting of the committee, and there appeared there several Senators for whom I have a high regard, who made a proposal for a substitute resolution. They were heard. They stated their views with great earnestness. No record was kept at that time. The final outcome was that the pending resolution was reported to the Senate. I thought it should be brought out here, where there could be full discussion in the Senate of that very important question which had been discussed over the radio and in newspapers and on the speaking platforms, one of the most important questions, that of peace after the war is over, which could possibly face this country; and I thought that, rather than keeping still about it, so long as there was so much discussion, and in view of the fact that the committee had taken jurisdiction of the matter, it should be discussed in the Senate.

I felt it could not bind any succeeding Senate. Now, however, I fear it will be considered as an advance ratification of a treaty or that whatever agreement is made will be considered as an executive agreement that will not be sent to the Senate for ratification. The first section of it dealt with the fact that we were at war and were going to continue it. That was more or less a second declaration of war, repeating the action the Senate took on the 8th day of December 1941. The second paragraph suggested that we have a just and honorable peace. The third paragraph deals with some kind of an international organization to maintain the peace in the future; and, of course, as usual history repeats itself, as it has done through the ages: "It shall be done by force."

In the debate in the Senate the emphasis has been that the peace, no matter what it is, shall be enforced by force—by police force. That is the kind of peace we always have had in history, and therefore every peace treaty in history has sown the seeds for the next war.

The other day I said that the only just and honorable peace which had been offered to any belligerent, I thought had been that offered by General Grant at Appomattox, when he told the defeated men of the South, "Take your horses and go home and get busy with the plowing." There were men then in the Capitol who had different views. They felt they had to have the peace enforced by the

military, so the Congress sent the military down there and sent a lot of carpetbaggers to the South to enforce the peace. The fanatics of the North in Congress wanted to "punish the aggressor." The effect of sending those carpetbaggers is still not yet eradicated from the South. That is one of the blackest pages of American history.

The pending resolution says that we shall have a just and honorable peace. If the peace is just and honorable, there is an opportunity for peace so long as nations will conduct themselves in relation to each other in a just and honorable manner, and there will be very little need for any police force to subjugate people who are dissatisfied with economic conditions, social conditions, and political tyranny. However, I have no hope for such a treaty.

Mr. LANGER. Mr. President, this speech was delivered in 1943. It is now 1949, so that for 6 years Senator Shipstead has been correct.

He said, further:

When the last treaty of peace was made a man by the name of Keynes, a financial adviser to the British delegates, was at the conference at Versailles. He left the conference and went home and wrote a book entitled "The Economic Consequences of the Peace."

Later on I shall quote what was said by some of the men who walked out of the Peace Conference at Versailles.

Senator Shipstead continued:

If the representatives of the various governments at that peace conference had listened to his expression of his views at that time before he went home, the chances are there would not now be the war in which we are engaged.

The most important thing for the United States to do after winning the war is to see to it that our country takes the position that there shall be a just and honorable peace. Otherwise there will be no peace. The weight of our advice, counsel, and argument should be upon that subject, rather than upon a police force and a political organization backed by troops to enforce a treaty of peace which is likely to be the same kind of treaty as those which have ended all wars and sown the seeds for the next wars.

In other words, Mr. President, at Versailles President Wilson was told to go chase himself; he was told, "We are going to write the peace. We will use your men and your money but we will write the peace." When the four men from our delegation walked out they said that the seeds of World War II were being sown; but absolutely no attention was paid to them. Oh, yes; Mr. President, the signatories to this North Atlantic Treaty are grateful to us today when they want our money and our aid, but, just as after World War I, when the peace was written, they paid no attention whatsoever to the demands of President Wilson or to the delegates representing the United States of America, that has continued to be their attitude.

Senator Shipstead continued:

It is not necessary to review the pages of history to call the attention of the Senate to the fact that the past is prologue. While we mouth the old, worn-out phrases, "History repeats itself" and "Man cannot learn from history," the fact still remains that man cannot learn from history. Human beings are born into the world ignorant, uneducated. They spend a few years learning a little something by experience and a little something by thinking, and then they die. What little we have learned we have not been able to pass on to the new generation. The members

of the new generation have to go through the same experience and make the same mistakes, and they in turn can leave very little in heritage to those who come after them. Humanity ignores the beacon lights of history even if pointed out for its attention.

Because I bear these things in mind, I desire to discuss today an example which I think will explain most of the peace treaties which have been made in human history. I shall not go into the matter as extensively as I had intended to do, because in this morning's Wall Street Journal I find a very excellent article by Felix Morley which will make the matter plain. He states the matter much better than I could, and it will save the time of the Senate and my time if, after I have finished my remarks, his article may be printed in the RECORD immediately following my remarks. I so request. The article appears in the Wall Street Journal for November 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SHIPSTEAD. Mr. President, as an example of what I think is typical of the mistakes of the centuries, I desire to discuss some of the economic consequences of the peace treaty after World War I, the consequences which John Maynard Keynes had in mind when he left the peace conference. At that time he wrote a book entitled "The Economic Consequences of the Peace." I have not read it since those days, but I remember very well that the general tone of it was that this peace will bring on a worse war than the one we have just concluded.

I shall not discuss, for they have already been discussed, the various balances of power and the associations of nations to keep the peace and to prevent war. I need only recall to Senators' minds that the Triple Alliance and the Triple Entente were peace societies to keep the peace of the world. A very vivid picture has been painted by Tolstoy in his book on Christianity and patriotism, wherein he shows that they had banquets and drank wine and made long, eloquent speeches to the goddess of peace and about how they were going to keep the peace of the world. On the other hand, the Triple Alliance had the same kind of an organization to keep the peace.

They had banquets, and they visited from one capital to another, with delegations of citizens and statesmen patting each other on the back and making speeches for peace. As Tolstoy said, everyone who had any sense knew, when they were making those speeches, that what they really meant was, "We are going to make war." He mentioned one of the eloquent statesmen of France, who made a very eloquent speech, stating that France loved everybody and every other nation, and was for peace. Tolstoy said that if someone had announced a German delegate, the roar would have been, "Throw him out." Everyone knew that the Triple Alliance was getting ready for war with the Triple Entente and that the Triple Entente was getting ready for war with the Triple Alliance in the name of peace.

So we have these organizations in every country.

In their operations on the mind of humanity, they remind me of Ibsen's story of Peer Gynt. Peer Gynt was quite a typical character. His prototype is to be found in every nation. He came to the United States and made a great deal of money importing slaves. Then his conscience bothered him, and, to assuage his conscience, for every slave he imported he exported a Bible to Africa. So he assuaged his conscience and made money.

At one time he was in the mountains of Norway, where he saw a very beautiful girl. He became infatuated with her. He thought she was very wonderful. She invited him to her home to visit her family. She was the daughter of the Mountain King of the

Trolls. He met her people, the royal family. He was invited to a banquet, and thought it was wonderful. The King thought, "The blood of the Trolls has been thinning out. We ought to have some human blood in the royal family of Trolls." So he offered Peer Gynt half his kingdom if he would marry his daughter. Peer Gynt agreed. However, the King said, "If you are to be happy with us you must be able to see reality. You have been associating with human beings, and their eyesight has been perverted so that they do not see reality. If you are going to be happy and one of us, it will be necessary for me to operate upon your eyes."

Peer agreed; so the King took his knife and slit his eye. Then he saw reality. The girl who he thought was such a beautiful creature became a very repulsive thing. She was half woman and half sow, and he would not marry her, even though he would receive half the kingdom. The King said, "That is all right. You had better go back to your people, because I am sure you will not be happy here. But before you go back, you must let me restore your eyesight so that you will have the same point of view and the same sight that your people have." So Peer Gynt permitted the King to operate upon his eyes and restore his sight. Then the King said, "Now you can go back to your people and be happy. The most vile things will now look beautiful." So, in the name of peace, we make war. It looks beautiful. The vile thing about it is that we do not see the reality.

Senator Shipstead continued:

I said that I would discuss some of the economic consequences of the peace following the last war. There is no point in going into the history of the origin of the war and the reasons for it. That would be imposing upon the time of the Senate, and it is not necessary.

The United States entered the war, and following the war we had a peace program. The Fourteen Points were announced by Woodrow Wilson. On the 8th of January 1918 he announced to the world that the Allied and Associated Powers had accepted and approved them. I call this to the attention of the Senate because of the fact that, as usual, Uncle Sam has been blamed, even by some of his own people, for most of the troubles of the world. The Senate which repudiated the treaty has been spoken of in scorn. It has been said that we double-crossed our allies, and that the United States is to blame for the present war.

Mr. President, how often have we heard that upon this floor? The preceding speaker, the distinguished Senator from California [Mr. KNOWLAND], said substantially the same thing a few moments ago. Twice, he said, twice in 25 years, we have been in two wars. But he did not go into the reasons for them. Did he say why we went into them? Did he say that after World War I every single country, most of them signatories of the so-called treaty before the Senate at this time, repudiated the United States of America? They refused to go along with President Wilson, and our own delegates walked out of the peace conference.

Senator Shipstead asked:

Who was double-crossed by the Treaty of Versailles, as history will show? President Wilson, with his Fourteen Points, which had been agreed to by the Allied and Associated Powers, went to the peace conference.

Every single one of those points had been agreed to, just as the parties have signed the treaty we now have before us. It is nothing new. It was a beautiful speech the Senator from Michigan made.

We are going to be a great force for peace.

Mr. President, I submit that no matter what may be done by the Senate, no one will be a greater advocate of peace than was President Wilson after World War I. When he went to Europe with the 14 points, they had been agreed to before he left this country.

Senator Shipstead continued:

The first thing that was done before the treaty was considered was to eliminate most of the delegates, until only four were left, who were to prepare the treaty. After the Italian delegate found that he was not going to get for his country what the Allied Governments had promised Italy for coming into the war, he went home, so there were three left—Clemenceau, Woodrow Wilson, and Lloyd George. They proceeded to write the treaty of peace.

Mr. President, promises do not mean much, do they? When the delegate from Italy found that Italy was not going to get what was promised, he went home.

Senator Shipstead proceeded:

They got the American President in a position where his eyes were opened, and he threatened to go home.

Oh, these countries signed up, Mr. President, and they signed up this treaty. I continue reading from Senator Shipstead:

The European newspapers were attacking him very viciously, because they said he was stubborn and would not yield. Finally he yielded and remained. After that he had very little to say about the treaty.

What did that treaty provide? The first thing President Wilson discovered was that there were some secret treaties by which certain countries had been bought. Evidently it was necessary to buy them to join France and England in the war. There was the secret treaty with Japan, and the secret treaty with Italy, of which we knew nothing.

The Senate is being asked to vote upon this treaty when we know nothing about the secret agreements. I say that even the Senate Committee on Foreign Relations does not know about some of the secret agreements. When I demanded them some months ago I was met with silence. When I wrote the Department of State I was met with silence. I say without fear of successful contradiction that today there are agreements with which not a single Member of the Senate is familiar.

The first we knew about what was in the Potsdam agreement was when we got it from England, and not from our own State Department at all.

Senator Shipstead was a member of the Committee on Foreign Relations of the United States Senate for 24 years, and this is what Henrik Shipstead, one of the greatest Senators who ever sat in this Chamber, said:

When President Wilson came back from Europe the first time there was a meeting of the Foreign Relations Committee of the Senate. The record of it was printed. He was asked when he first heard of the secret treaties. He said it was when he came to Paris.

Even the President of the United States, the President of a country which had given hundreds of millions of dollars to foreign countries, did not know these secret agreements existed. The President, at whose request the declaration of

war was passed by Congress, the President, who sent our people's sons to Europe to be killed on the fields of Europe, did not know of these secret agreements. President Wilson so stated, and I say the Senate of the United States does not know of agreements which exist today. Senator Shipstead said—and remember, he was a member of the Foreign Relations Committee—

He [President Wilson] had preached the doctrine of open covenants openly arrived at. But we know now that they were in the State Department.

Mr. President, the leopard has not changed his spots, nor the zebra changed his stripes. The secret agreements are still in the State Department and when we tried to get them some months ago we were unable to obtain them.

They were brought here by Mr. Balfour in 1917. The President of the United States, according to his own word, left the United States to go to Versailles to write a treaty, and he said he knew nothing about the secret treaties when he left home.

That is the record, Mr. President. But the boys who are dead were sent to their death by a President of the United States who knew nothing about the secret agreements I mentioned just a few moments ago. President Wilson knew nothing about them.

The secret treaty with Japan gave Shantung to Japan, with 30,000,000 people. When Wilson protested about dividing up the world and giving it to the victors, Clemenceau is quoted as having said: "We had to buy Japan. We needed some cruisers in the Mediterranean. We are going to keep our word." All we succeeded in doing was having a promise made by Japan under that treaty that at some time Shantung would go back to China. At a time prior thereto Germany had taken Shantung from China, when China was unable to defend herself. It was highway robbery, which was quite common in international affairs. When the Disarmament Conference came in 1920 Japan was finally compelled to give Shantung back to China. As a result we incurred the enmity of Japan.

Italy was double-crossed—

Said Senator Shipstead—
at least, so Italy claims. The secret treaty provided that Italy should have both sides of the Adriatic, the large part of Fiume, Trieste, and other advantages. Wilson's Presbyterian conscience revolted. He thought that was unjustified, and protested. To a large extent he had his way. That sent Orlando home from the peace conference, and he never went back. That alienated Italy.

The treaty writers proceeded to cut up Europe and the world, the victorious powers taking the natural resources as loot of the war. I have before me a tabulation showing the territory taken.

Mr. President, I ask unanimous consent to have printed in the Record, following my remarks, a tabulation showing the territory acquired by the Allied and Associated Powers as the loot of the war. The United States had said that the peace was to be a peace without victory and not a punitive peace—a peace without indemnities or loot.

Mr. President, I ask unanimous consent that the tabulation may be printed at this point as a part of my remarks.

The PRESIDING OFFICER (Mr. DONNELL in the chair). Without objection, it is so ordered.

The tabulation is as follows:

EXHIBIT 2

TERRITORIAL ACQUISITIONS OF THE ALLIED AND ASSOCIATED POWERS UNDER THE TREATIES SIGNED AT THE CONCLUSION OF THE WORLD WAR¹

A. TERRITORIES LOST BY GERMANY

Under the stipulations of the Treaty of Versailles, Germany ceded to various European nations a considerable part of what formerly was Germany proper. She also lost all of her colonies, which were distributed among certain of the victorious nations under the mandatory system. The names of the territories acquired by the Allied and Associated Powers, their chief resources, and the number of square miles contained in them are as follows:

Territory ceded	Chief resources	Square miles
1. TO BRITISH EMPIRE		
German East Africa.	Rubber, copra, ivory, coffee, sisal, wax.	365,180
German Southwest Africa.	Diamonds, copper, guano, animal products.	322,450
Cameroon, part of. ²	Palm oil, palm kernels, rubber, cocoa, coffee.	34,236
Togo, part of. ²	Palm oil, palm kernels, cocoa, kola nuts, cotton.	12,600
Kaiser Wilhelm's Land (New Guinea).	Cocoa, copra, coconuts, cattle, goats.	70,000
Bismarck Archipelago. ³	Copra, cotton, coffee, rubber.	21,660
Nauru Island. ⁴	Phosphate, copra.	8
Samoa Islands. ⁵	Copra, gold, shell, cocoa.	4,100
Do.	Copra, cacao, bananas.	1,130
Total.		831,364
2. TO FRANCE		
Alsace-Lorraine.	Iron, coal, potash, salt, petroleum, grain, wine.	5,607
Saar Basin.	Exploitation of coal only. ⁶	
Cameroon, part of.	Tobacco, palm oil, rubber, cacao, ivory.	273,759
Togo, part of.	Palm oil, coco, kola, rubber, copra.	21,893
Total.		301,259
3. TO BELGIUM		
Moresnet (small area).		
Eupen and Malmedy.	Timber and various industries.	382
German East Africa, part of.	Copper, cotton, rubber, palm oil.	19,000
Total.		19,382
4. TO POLAND		
Eastern Prussia, Posen, Upper Silesia.	Grain, lumber, mining, timber.	17,816
Memel. ⁷	Shipping, commerce.	1,026
Danzig. ⁸	do.	739
Total.		19,581

¹ References: The various treaties signed at the conclusion of the war of 1914-18 by the Allied and Associated Powers and Germany, Austria, Hungary, Bulgaria, and Turkey, that is, the Treaties of Versailles (June 28, 1919), St. Germain (Sept. 10, 1919), Trianon (June 4, 1920), Neuilly (Nov. 27, 1919), and Lausanne (July 24, 1923), respectively. The Statesman's Year Books for 1941 and 1931. Bowman, L., The New World Problems in Political Geography, New York, Chicago, 1928. Wright, Q., Mandates Under the League of Nations, Chicago, 1930.

² Western Africa.

³ Islands in the Pacific.

⁴ The area is about 751 square miles with a population of 657,870. The district at present is administered by a commission of 5, appointed by the League of Nations. At the end of 15 years the people are to vote as to whether the desire (1) the continuance of the rule set up by the treaty, (2) union with France, or (3) union with Germany.

⁵ Now part of Lithuania.

⁶ A free city-state; but its foreign relations are conducted by Poland.

Territory ceded	Chief resources	Square miles
5. TO PORTUGAL		
Kionga triangle.		100
6. TO DENMARK		
North Schleswig.	Agricultural products.	1,542
7. TO CZECHOSLOVAKIA		
Upper Silesia, part of.	Mining (chiefly coal).	122
8. TO JAPAN		
Kiaochow (China).	Silk, coal, beans.	200
Caroline, Marshall, Marianne, and Pelew Islands.	Copra, sugar, cotton.	960
Total.		1,160

Germany's total loss of territory:	Square miles
1. Territory in Europe.	27,112
2. Colonial territory.	1,147,276

Grand total. 1,174,388

B. THE DISSOLUTION OF THE AUSTRO-HUNGARIAN EMPIRE

Austria-Hungary prior to the World War comprised an area of more than 250,000 square miles with a population of 51,000,000. As a result of the war the dual monarchy was dissolved into various states. Austria at present consists of an area of 32,369 square miles with a population of less than 7,000,000; while Hungary now comprises 35,875 square miles with a population of about 8,000,000. The remainder of the territory of the empire was divided among the following states: Czechoslovakia (54,207 square miles); Rumania (51,650 square miles); Poland (30,767 square miles); Yugoslavia (49,033 square miles); and Italy (including Fiume) (7,358 square miles).

C. TERRITORIES LOST BY BULGARIA

Bulgaria's area prior to the signing of the Treaty of Neuilly was 47,750 square miles. Owing to her participation in the World War on the side of the Central Powers, Bulgaria suffered a territorial loss of a little over 7,000 square miles. Of these, 6,059 square miles were lost to Greece and 961 square miles to Yugoslavia.

D. TERRITORIES LOST BY TURKEY

On August 10, 1920, the Allied and Associated Powers and Turkey signed at Sèvres, France, a treaty which, however, Turkey refused to ratify and which was subsequently superseded by the Treaty of Lausanne, signed on July 24, 1923.

Turkey's signal victory over the Greeks in 1922 had changed conditions in the Near East considerably. On September 23, 1922, when the struggle between the Turks and Greeks had come to an end, the Allies invited the Turks, who in the meantime had set up a new government at Angora, to consider the basis of a new treaty on the following terms: (a) Restoration of Turkish sovereignty over Constantinople and Thrace up to the Maritza River; (b) exclusion, until a final agreement had been reached, of Turkish military forces from Thrace. It also was stipulated that the Turks were to respect certain zones bordering on the straits which the Allies had declared neutral during the war between Turkey and Greece.

Under the provisions of the Treaty of Lausanne which came into force on August 6, 1924, Turkey practically regained all the territory in Europe which she held in 1914. However, the Arab provinces of Asiatic Turkey were not restored to her. These were distributed under the mandate system to France and Great Britain or were set up as

independent states. The Aegean Islands, however, were ceded in full sovereignty to Italy.

Distribution of Asiatic Turkey

To Italy: Aegean Islands, 1,037 square miles, ceded outright.

To Great Britain: Transjordan, 12,000 (estimated), mandated.

To Great Britain: Iraq, 143,250 square miles, mandated.

To Great Britain: Palestine, 10,000 square miles, mandated.

To France: Syria, 60,000 square miles, mandated.

Made independent: Hedjaz, 150,000 square miles.

Made independent: Asir, 35,000 square miles.

Made independent: Yemen, 75,000 square miles.

Turkey's total loss of territory: 486,287 square miles.

E. FORMATION OF NEW STATES AND TERRITORIES SEPARATED FROM THE FORMER RUSSIAN EMPIRE

In March 1917, while the World War was still in progress, Russia was declared a republic following a series of internal uprisings. After a prolonged struggle Russia came finally under the rule of the Soviet Government. Various independent states, however, have evolved from the old empire. Moreover, considerable areas of Russian territory have been transferred to Poland and Rumania. But the greater part of Russia was divided into a number of socialist soviet republics. The largest of these convoked an All-Russian Congress of Soviets and on July 10, 1918, adopted a new constitution. This new state was termed the "Russian Socialist Federated Soviet Republic" (R. S. F. S. R.), and comprises about seven-eighths of the territory of the former Russian Empire.

Subsequently, on December 30, 1922, delegates of the R. S. F. S. R. and of three other Russian republics concluded at Moscow a treaty establishing a Union of Socialist Soviet Republics (U. S. S. R.), comprising (1) Russia proper and united territories (R. S. F. S. R.); (2) Ukraine (Ukr. S. S. R.); (3) White Russia (W. R. S. S. R.); and (4) the Transcaucasian Federation (T. S. F. S. R.). This Union was joined in September 1942 by the Uzbek S. S. R. and the Turcoman S. S. R.; and in December 1929 by the seventh autonomous republic, Tajik (T. S. S. R.). The number of square miles of Russian territory transferred to the Baltic States and to Poland and Rumania is given below.

Russian territory transferred to other than Soviet states

	Square miles
Estonia	18,353
Finland	132,608
Latvia	24,440
Lithuania	37,000
Poland	49,150
Rumania	17,146

Total..... 278,697

Mr. LANGER. Senator Shipstead continued:

Mr. President, with paeans of sanctimonious oratory we announced to the world that we were fighting merely for democracy and peace, and in that way we made even our own people believe that the most vile things can be made beautiful.

Mr. President, how beautiful it sounds when the distinguished Senator from Michigan says that this is to be a clarion call for peace?

Senator Shipstead continued:

I said that Europe was cut up into a group of small segments for political purposes.

History repeats itself, Mr. President.

We loaned them money to start in business, and they never paid us back. In order to start in business, Uncle Sam made loans to almost every country that was created by the Treaty of Versailles.

Mr. President, the same thing exists today. Billions upon billions upon billions of dollars have been sent to practically every country on the face of the globe. But such action is nothing new. The representatives from the foreign countries came here after World War II, and they got money from us just as they did after World War I.

I do not want to be a party and I do not intend to be a party and I have not been a party to a single one of those loans. I voted against every single solitary loan without exception. Let those who voted for the loans defend them.

Oh, Mr. President, look at the miserable, rotten record. When England got \$3,750,000,000 from us it was charged by some, "It is a gift." Others replied, "No, it is not a gift; it is a loan. England is going to wipe out the sterling bloc and America is going to have free trade." But England wanted more money.

I should like to have Senators who voted for those loans go over the country and talk to people who are suffering now for lack of money. Let them talk to some of the veterans who are lying in our hospitals which do not have sufficient money allotted to them properly to take care of the veterans and in some of which the number of nurses has been reduced because of lack of money.

Senator Shipstead said:

In order to start in business, Uncle Sam made loans to almost every country that was created by the Treaty of Versailles. The countries were small, very nationalistic, and each of them had to maintain a government. They had to have armament plants—

Mr. President, how familiar that sounds. After World War I we loaned money to every one of those countries and they had to have armament plants. Now we are talking about giving them billions of dollars more to rearm.

They had to have industry to sustain the people—

We have sent them money for that purpose under the Marshall plan—

and so they established high tariff walls to maintain their positions, all of which were based on loans.

So long as they could borrow money they did pretty well for the first 10 years. Uncle Sam furnished a great deal of the money. Bankers of France and of England also floated loans. As a result, when their industries were built and their tariffs established they started an intensive program of agricultural production, and that affected American agriculture. We had been exporting food, but now we had competition, which had a great deal to do with the fall of prices in the United States because we could not export anything. I say "anything," but that is an exaggeration. We could not export to the extent to which we had been exporting.

Europe could not produce enough wealth to pay loans.

What took place as a result of the loaning of money, not only by the United States but by England and France as well? At the Treaty of Versailles, France created what was called the Little Entente, that is a buffer state against Germany and Russia. French interests financed its munition plants, and the Credit Anstalter of Vienna made loans. All of its economy having been built on borrowed money, production could not be had to yield income to pay off the loans.

The first crash precipitated the world-wide panic of 1929. By 1931 as a result of the

condition of Austria, which in turn was due to what had been done with Austria at the Treaty of Versailles the big Vienna bank was in trouble. At Versailles agricultural portions of Austria were cut to pieces and given to several satellites to build new and so-called independent governments.

That is similar to what took place after this war. Our President signed agreements giving certain countries to Russia. The parallel is deadly all the way through.

Senator Shipstead continued:

To show the connection between the political life of a nation, and its economic and financial life, we have a very excellent illustration in the fall of the Bank of Vienna, the Credit Anstalter. It got into trouble in 1931. France had joined the Credit Anstalter in financing the Little Entente. The Bank of Vienna asked the French Government, through the Bank of France, which was, of course, a political bank, for a loan of \$20,000,000, and the Austrian Ambassador was told that the Credit Anstalter could have the money provided it complied with the terms, namely, that the Austrian Government must not make a tariff agreement with Germany. The Austrian Government thought that was going a little too far. At that time England, playing the balance of power as usual, although having a treaty of peace with France, was playing the other side of the game, and through the Bank of England loaned \$20,000,000 to the Credit Anstalter Bank. As a result the Bank of France called several hundred million dollars of call loans in what is called the City, that is the financial district of London, as a punitive action because England in engaging politically in handling the loans, had interfered with the policy of France.

That is typical of what those countries are going to do. Already we see trade treaties between England and Argentina, and trade treaties between England and Russia. They are not asking the United States what kind of treaties to make. They are not interested in how they are going to affect the agriculturists or the industrialists in the United States. They are taking care of their own people, as was done after World War I, as was so graphically described by Senator Shipstead.

Senator Shipstead continued:

It spoiled a very interesting vacation for me—

Senator Shipstead was over there—

because I had been invited to come in August to Scotland and visit Ramsey MacDonald when Parliament adjourned, and I had promised to do so. But in the meantime this financial battle over political matters which had precipitated this crisis, precipitated also another crisis, which was a political one, in England. The Parliament overthrew the Cabinet. It was called back into session, formed a new coalition Cabinet, and forced England off the gold standard. It was all based on political action as the result of previous economic action growing out of the Treaty of Versailles.

Then Senator Shipstead asked this significant question:

Why do I call this to the attention of the Senate? Because it is typical of what took place down through the ages after peace treaties had been signed. Of course, Uncle Sam gets the blame. Up until that time Uncle Sam had been called Uncle Shylock, and when we could not make any more loans they called him "welshe." The tragedy is that so many of his children have also called him "welshe."

It will be remembered that one of the first things President Roosevelt did when he became President was to cut down the amount of pensions which the veterans received. No wonder Uncle Sam was called a welsher.

Senator Shipstead continued:

I call attention to the political aspect of the so-called World Court of the League of Nations which was created to settle by judicial action international controversies. The tariff action of Germany and Austria was finally sent to the Court.

We had the International Court, Mr. President. When this action between Germany and Austria was sent to the Court, what did we find?

Every judge which England controlled voted for it; every judge which France controlled voted against it, and France won by one vote, and the newspapers very voluminously hinted that there had been bribery of the judges. So it became plain it was a political Court. Before the decision was made, I mentioned this matter the other day but I do so now to keep the record consecutive in this regard. Judge Loder, who wrote the constitution for the League of Nations Court and was its first president, resigned from the Court.

That is the kind of treatment the United States received. Now we are asked to enter into a second deal. With that experience to guide us, we are asked to go into a second deal.

Judge Loder, who wrote the constitution for the League of Nations Court, and was its first President, resigned from the Court.

That was the first case that came up.

Mr. President, I have every regard for the statesmanship of our distinguished Senators, including the one who was appointed a few days ago by the Governor of New York. Yet, Mr. President, this is history. This is what happened 25 or 30 years ago. This is what happened when the United States sent money and joined the World Court and did everything it possibly could to help.

Senator Shipstead continued:

I spent a good deal of time with him in Holland.

There was a man who was just as well informed as any Member of this body. Judge Loder was the man who wrote the constitution for the League of Nations Court. I assume that he had been at all the conferences, just as the junior Senator from New York [Mr. DULLES] has been at all the conferences in this instance.

Senator Shipstead continued:

I spent a good deal of time with him in Holland. I asked him why he resigned, and he said, "I tried to make it a judicial tribunal, and I could not do so. It is a political Court." He said, "There is not a magistrate on that Court. It is a political Court." He said, "The Court has taken jurisdiction of the German Anschluss, the tariff agreement between Germany and Austria." He said, "That is a political question. The Court has no business taking jurisdiction of that." He told me that before the decision was made, but they had just taken jurisdiction.

I said to him, "Can you tell me what kind of a case can come to this League of Nations Court which cannot be taken to the Court of Arbitration at The Hague, of which the United States is a member?" He replied, "I cannot think of any kind of a case that cannot be taken there. Any nation that wants

to settle a difference can go there; two or three or more can settle differences by going there and resorting to arbitration, freely, willingly, and voluntarily; but the trouble is they do not want to settle their controversies peacefully; they do not want them settled at all until the time comes when the condition gets so bad that the bubble bursts, and then they settle the controversies politically, by force."

Here they are, wanting armaments, Mr. President. What did Senator Shipstead say? What happened next?

While this situation was being built up in the Little Entente—and how it affected Austria I have explained—English and French bankers and munition makers were financing Hitler, building armaments for Hitler. Of course, they were interested in French and English armament plants, but they financed Hitler, joined with industrialists of Germany, the economic power of industry, the international monopoly, the international cartels.

They joined together to make some money out of rearming Germany.

Mr. President, this time, instead of rearming Germany, we are going to rearm all Europe. Does anyone say that anywhere in this treaty it is provided that the profits which will accrue to the people who will furnish the arms will be limited, for instance, to 6 percent, or to any other percent? No, indeed.

Senator Shipstead said:

They joined together to make some money out of rearming Germany, and they made these loans with the consent of their own governments.

Mr. President, how familiar that sounds. Not only are loans going to be made, but our Government now says it will guarantee them. If some of our industrialists put their money into these countries, our Government will guarantee the loans. The present situation is even worse than the situation described by Senator Shipstead, a member of the Foreign Relations Committee, when he spoke on this floor on November 5, 1943.

I read further from Senator Shipstead's speech:

These institutions do not make foreign investments or loans without the consent of the governments, and in this case the governments must have known that they were arming Germany. Uncle Sam gets the blame for that, too.

Morgan floated a loan of \$100,000,000 in the United States to set Mussolini up in business, with the consent of the Government of the United States. When I say "consent," perhaps that is not just accurate. When loans are made, the bankers consult the State Department, and the State Department says, "We can see no objection." That is really giving consent. Instead of saying "Yes," they say, "We do not know of any reason why we should say 'No.'" Here was international capitalism acting under the noses of governments who were pledged to peace being made pawns by international cartels, the steel industry, the electrical industry, and the like.

I am reminded of a story an old sailor told me. His name was Andrew Furuseth, a man with one of the finest minds with which I have come in contact in my life. His bust is now in the Department of Labor.

Andrew Furuseth said that many years ago he took a trip to Alaska, and while he was there he bought from an Indian squaw a tobacco pouch. He said that she had made it out of the skin of an unborn seal, and had sewn beads on it so that it was quite beautiful. Around the top was a string of beads. He said it was so beautiful that he wanted it and bought it. He took it to San Fran-

cisco, and he considered it such a treasure that he wanted to preserve it, so he put it in an old chest. Then he went to sea, and was gone for 5 months. When he returned and opened the chest to get out some papers, to his surprise in the bottom of the chest he saw a pile of dust, and in different directions from the pile of dust were empty maggot skins. He could not understand how they got there. He said, "I took a match and scratched in the dust, and there found the beads that had been on my tobacco pouch. The idea came to me that I bought the pouch to carry tobacco in it, but I did not use it for the purpose for which it was created. The larvae were there; they came to life; they were hungry; they had a complete monopoly of this tobacco pouch. They could produce nothing to eat, but they were monopolists; they had everything under their control except food; so they started to eat, and the only thing they could eat was the tobacco pouch."

Mr. Furuseth continued, "I am sure that if while they were eating that pouch I had come along and asked them what they were doing, they would have said, 'We are here to preserve and defend and protect the tobacco pouch.' They protected and defended it until there was nothing left of it except the beads, which they would not eat, as reminders to whoever should find them as to what becomes of tobacco pouches when they are not used for the purpose for which they are created, when they are turned over to the maggots and given into their control." He continued, "That applies to governments, civilizations, and nations. Archeologists all over the world are digging down under the dust, finding ruins of cities, left just as warnings to succeeding generations that they shall be destroyed if they do not remain true to the purpose for which they were created." I say, therefore, that these international cartels, international banking houses, playing the economic game and subjecting the sovereignty of nations to their own selfish gain, are the maggots in the governmental tobacco pouch, which no government has been willing to control.

Of course, these international bankers and industrialists make money out of war. Why should they be for peace? Their newspapers talk peace in order to get war. War is always made in the name of peace.

Mr. President, how well I remember that during the 8 or 9 years I have been in the Senate, every time steps preceding war are taken, they are taken in the name of peace. Neutral merchant ships were armed in the name of peace, and various other steps were taken in the name of peace, until finally thousands of our boys were killed abroad.

Mr. President, that is what we are heading toward again. We are going to do all this in the name of peace.

Senator Shipstead also said:

Those who write the peace have always been the war makers.

While these international banking houses were financing Mussolini and Hitler—

While all those fellows were yelling for peace, at the very same time they were financing Mussolini and Hitler—

all these countries had their own war lords in China financing groups and armies in order to have a foothold and a preemption right to certain portions of China if and when the international politicians could be gotten together, whenever the financial war lords at home were ready to crack the whip and divide China. While they were talking peace and sending missionaries with Bibles to China, they had their war lords there to exploit the Chinese. There are a thousand million individuals in exploited areas of

Asia in revolt against the white race because of 150 or 200 years of economic exploitation and pressure. There is revolt, and the end is not yet in sight.

Mr. President, more prophetic words than those have never been spoken.

Then Senator Shipstead said further:

After the crash in 1931 these international forces started immediately to see the political consequences of their economic peace, so they began to form all kinds of peace societies and peace organizations to keep the peace between nations, such as the Locarno Pact, and the like. Seldom a week passed in Europe but there was some new peace agreement formed between certain nations. For instance, there was one at Stresa, which I mentioned a few days ago. Mussolini complained to Flandin and Laval that Italy had remembered that she had not been paid for her activity in the last war, so she was given a tip to go in and take Ethiopia, and when the consequences of that move became apparent, the Labor Party of England, and the Liberal Party, who controlled most of the papers, started an attack upon the Government. The British Government had to double-cross Italy and send the fleet to the Mediterranean, and that won them the reelection.

Laval publicly charged the British Government with welshing on their agreement to win the reelection. There was not any trouble when Mussolini took Ethiopia.

That was the result of a treaty of peace.

Then there was the case of Japan and Manchuria. Under the treaty of 1920 Japan was compelled to give Shantung back, so she went into Manchuria. Appeal was made to the League of Nations. Stimson, our Secretary of State, asked the League to come and protect the integrity of China, as it was pledged to do under the League of Nations, but the League did not come. It sent a committee to investigate. The saying is that when the devil wants nothing to happen, he always appoints a committee.

Uncle Sam has been blamed for killing the League of Nations when the Senate repudiated the Treaty of Versailles.

The representative of China, Mr. Soong, was quoted in the press as having made a speech some time ago in New York in which he stated who killed the League of Nations. He said it was killed at the time of the Manchurian incident by the two great powers who controlled the League of Nations.

That answers pretty well the statement made time and time again upon this floor that the League of Nations was killed because the United States kept out of it. Soong said it was killed, at the time of the Manchurian incident, by the two great powers who controlled the League of Nations. Senator Shipstead continued:

Those nations could have been none other than England and France. It was not economically or politically to their interests to keep their pledge, as they did not keep their pledge after they gave a tip to Mussolini to take Ethiopia. But Uncle Sam gets the blame. Politicians make speeches pouring verbal vitriol on American citizens, and Uncle Sam is blamed for the chaotic economic and political conditions resulting from the Treaty of Versailles.

Strangely enough, Mr. President, and sad as it is, Americans high in public life blamed the United States for the failure of the League of Nations, when as a matter of fact we have in the RECORD the statement of a leading man of China that the United States had nothing to do with it. Mr. President, if you want an interesting week, or if any newspaperman

wants an interesting week, I suggest the reading of the CONGRESSIONAL RECORD, commencing about 2 years after World War I. Note how Senator after Senator stood upon the floor of the Senate and said, "We had no business in World War I; I am sorry I voted for the declaration of war." It is interesting reading indeed, Mr. President. I have read it. It is worthy of reading by any newspaperman or by any Senator upon this floor today. Senators were apologizing. We find it in the CONGRESSIONAL RECORD of the Congress of the United States.

Senator Shipstead continued:

Mr. President, I have enumerated a few political results arising from the economic consequences of the Treaty of Versailles. I am sure it was not necessary to do so, but I shall mention another incident of like character. I said France established and armed and financed the Little Entente. Czechoslovakia was one of the nations composing the Little Entente. In 1938 I asked one of the best-informed statesmen of Europe, "When is war going to begin?" He said, "It will not be this year." I said, "Well, what about Czechoslovakia?" He said, "No one has any sympathy for the Czechs." I said, "Why?" He said, "Look at their record." He said, "When they were under Austrian rule, the Austrians rode them boot and spur, and the Czechs did not like it, and I do not blame them. When the war came they were forced into the army to fight Russia, and they deserted by brigades. They fought against Austria." He said, "I do not blame them for that. At the peace treaty," he said further, "the Czechs had to be paid, and that was all right. And to reward them for their help to the Allies, a part of Germany, containing 3,000,000 German inhabitants, was cut off and given to the Czechs; a part of Hungary containing something like a million inhabitants, was cut from Hungary and given to the Czechs; a part of Poland, containing something like 800,000 inhabitants, was cut off from Poland and given to the Czechs. And the Czechs were also given a lot of Slovaks." He said, "At the time the Treaty of Versailles was drafted the promise was made that these various peoples would be given the local cantonment system of government such as exists in Switzerland, but that has not been done." He said, "The Czechs have in their turn ridden these peoples boot and spur, as they were formerly ridden by the Austrians, and," he said, "these people are ready to revolt."

That, Mr. President, was early in the summer. He further said, "I understand England has Runciman over there to examine the question, find out just what can be done." A little later some of our people who had traveled quite a bit through Europe told me, "We understand that Runciman is going to report to Britain that there is danger that all these people will be in revolt, and we understand that an agreement has been reached; that the Sudeten Germans are to go back to Germany, because the Czechs cannot hold them, and England and France will not fight to keep them there."

That, Mr. President, was what I was told before the crisis. The crisis came. France had guaranteed the integrity of Czechoslovakia and promised to come to her aid in case she was attacked, and England had a treaty with France which provided that if one went to war the other would go along. So if there were an attack made upon Czechoslovakia, of course, France was expected to keep her pledge.

Litvinov at that time spoke before the League of Nations and called attention to the fact that just before the crisis was precipitated Czechoslovakia had asked Russia if she would keep her pledge in case Czechoslovakia was attacked, and he announced

that Russia had said, "Our pledge will be kept." Russia was the only nation that promised to keep its pledge.

So, of all the countries that had signed, when the Czechoslovakian incident occurred, Russia was the only country of all the signatories that said, "We will keep our pledge."

In case war comes and the United States is attacked, how many of the 11 signatories to the pact signed on April 4 will keep their pledge? Mind you, Mr. President, for 24 years Senator Shipstead was a member of the Committee on Foreign Relations of the Senate. He was a man who had had a world of experience. As a member of the Foreign Relations Committee, he knew all about the subject, or as much as any Senator could know. He continued:

Another way out was found, so the Munich Conference took place, and it is interesting to note that Russia was not asked to be present, although she had signed a treaty.

It was a miserable treaty, signed by the various countries. They signed it with all the dignity and patting on the back that was in evidence here on the 4th day of April. Yet, when Czechoslovakia got into trouble, and when Russia said she would go to her defense, then, as Senator Shipstead said, when the Munich Conference was called, every signatory to the treaty was invited, except Russia.

She was not asked to come to Munich. The upshot was that these people who had been incorporated into Czechoslovakia were so dissatisfied with being under the Czechs that they were given a plebiscite, and if they did not want to stay they could vote accordingly. Whether that was right or wrong is another matter; at any rate, they voted to get out. I am simply explaining how these things come back to pester the nations.

Mr. President, I have a dinner engagement at 6 o'clock this evening. I told the Senator from Nebraska [Mr. WHERRY] that a few minutes before 6 o'clock I would ask unanimous consent that I be permitted to discontinue my remarks and be allowed to resume the floor tomorrow.

Mr. CONNALLY. Is the Senator suggesting that the Senate take a recess until tomorrow?

Mr. LANGER. Yes. I told the Senator from Nebraska that I had a dinner engagement this evening. It is 10 minutes of 6 now. My engagement is with postal employees from Harrisburg, Pa., and I gave them my word that I would be there. The dinner is at 6, but I can remain for 10 more minutes.

Mr. CONNALLY. I suggest that the Senator continue for 10 more minutes.

Mr. LANGER. Very well.

Mr. President, Senator Shipstead continued as follows:

Mr. President, Czechoslovakia, which was a small country, contained a large ammunition plant financed by France and had \$100,000,000 in the bank. Hitler went in and took it all later, like any other highway robber. There were in existence agreements for peace, such as the Locarno agreement, providing for the use of the police force which was in the background to enforce a peace which in its economic consequences was bound to create

confusion, economic collapse, and the wreckage of social, financial, and political institutions, and lay the ground for revolution of one kind or another, a condition of which Hitler could take advantage, as well as Mussolini or anyone else who promised relief to a people who were hungry and lacked employment.

Mr. President, I was in Germany in 1931. The Socialists and the Communists were shooting each other in the streets.

That was away back in 1931, Mr. President. Senator Shipstead continued as follows:

That was personal warfare on account of political differences of opinion. But what gave Hitler his power was unemployment and hunger, and by changing a few phrases he made the Communists believe that he had the same ideology, only that he used a different language to express it. So the Nazi Party which he had formed got most of the Communists in Germany to join. They called it a Fascist revolution. Of course, being one of force, it was cruel, unjust, unmerciful. As a result of the Treaty of Versailles the Weimar Republic was wiped out.

Mr. President, we sent some of our bankers to England and they framed the Dawes plan and the Young plan to raise some more money to pay reparations.

I mention the Young plan and the Dawes plan to show that at that time we gave those nations hundreds of millions of dollars. The matter of giving them money is not anything new, Mr. President.

Senator Shipstead continued:

When the Dawes plan was announced I was scolded in the press because I said it is a "gold brick loaded with dynamite," and that it is going to blow up and drive the United States into greater financial difficulty than we are already in. That was in 1924.

Then came the Young plan. Here was economic action with the consent of governments. Permission was given to float the Young and Dawes plans bonds in this country. As usual, Uncle Sam had to pay the price.

I have called these things to the attention of the Senate because, though it may not be necessary to do so, I wanted it for the record to show that the dishonesty exhibited by statesmen, politicians, the Metternichs of history, in making the most vile thing look beautiful in the name of peace.

So when the Senate comes to consider a peace treaty at the end of this war, if we want to do something good for the world, I do not think it is so necessary to provide a police force to make it effective as it is to insist upon a just and honorable peace so that all people of all nations can live together and have something to eat and have work, rather than impose a punitive peace which so many persons advocate. After all, when the war is over it is time to talk about peace, and we should not permit the carrying on of the previous system of economic exploitations through political power, backed by the police power and the Army, because in the long run it will simply be the cause of the next war.

Mr. President, I have been thinking that since our Secretary of State went to Russia we have had nothing but newspaper reports concerning the things that were done there.

Mr. LANGER. I might say that at that time the Secretary of the State was Mr. Hull, who was in Russia when we were considering the Connally resolution.

Senator Shipstead continued as follows:

Here is the Senate of the United States, a coordinate body to the making of treaties

with the Chief Executive, which is being asked to sign a blank check based on some newspaper reports, on the basis of some laudable thing we wish to do toward permanent peace. I do not like to sign blank checks. When the time comes and we know what the treaty is, what we have to sign, then we can find out whether we can afford to sign it or not. I do not find any fault with anyone who disagrees with that point of view.

Mr. President, it is almost fantastic to suppose that this body can be called upon to engage and bind in solemn language any future government of the United States on the strength of a few telegrams from Moscow, and almost before the Secretary of State has left Russian soil. The very least that Members of this body have a right to expect is that the responsible subordinate of the Executive, the Secretary of State, dealing with foreign affairs, should appear before the Foreign Relations Committee of the Senate and make a report on what he learned, and give the Senate of the United States, before it acts on such an important question, some idea as to where our consent to a matter of this kind will lead us.

Of course, I have always taken the view that no Senate or Congress could bind a future Senate or a future Congress. But, as has been pointed out, we have new systems of legislation—legislation by Executive orders. Over 3,500 have been issued in the last 10 years, and 80 percent of them before we entered the war. Thus, we have legislation by Presidential decree. It is said that will not do. To show whether it will do, let me observe that after the President signed the bill relating to the fixing of prices on farm commodities, the Office of Price Administration fixed the prices of farm products with entire disregard to the act of Congress. When we had Mr. Henderson appear before our committee, he brought with him Mr. Byrnes and Mr. Wickard. They were asked—in fact, I asked them; it is a matter of record—where they got authority to disregard an act of Congress in fixing farm prices. They said, "Well, we have higher authority."

They were asked, "Where from?"

They replied, "From an Executive order."

Mr. President, a little later I shall read into the RECORD the telegrams and letters which I have received from the State of North Dakota, together with their dates.

On April 14, 1949, the treaty was signed by Luxemburg, the Netherlands, the United Kingdom, the United States, Denmark, Iceland, Italy, Norway, and Portugal. The ceremony was performed just 2 weeks after the text of the treaty had been released to the public on March 18, 1949.

On April 12, 1949, President Truman transmitted the pact to the United States Senate.

Mr. President, I ask unanimous consent that the treaty may be printed in full at this point in my remarks.

There being no objection, the treaty was ordered to be printed in the RECORD, as follows:

PREAMBLE

The parties to this treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.

They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defense and for the preservation of peace and security.

They therefore agree to this North Atlantic Treaty:

ARTICLE 1

The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

ARTICLE 2

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

ARTICLE 3

In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

ARTICLE 4

The parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence, or security of any of the parties is threatened.

ARTICLE 5

The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE 6

For the purpose of article 5 an armed attack on one or more of the parties is deemed to include an armed attack on the territory of any of the parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any party in Europe, on the islands under the jurisdiction of any party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the parties.

ARTICLE 7

This treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

ARTICLE 8

Each party declares that none of the international engagements now in force between

it and any other of the parties or any third state is in conflict with the provisions of this treaty, and undertakes not to enter into any international engagement in conflict with this treaty.

ARTICLE 9

The parties hereby establish a Council, on which each of them shall be represented, to consider matters concerning the implementation of this treaty. The Council shall be so organized as to be able to meet promptly at any time. The Council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defense committee which shall recommend measures for the implementation of articles 3 and 5.

ARTICLE 10

The parties may, by unanimous agreement, invite any other European state in a position to further the principles of this treaty and to contribute to the security of the North Atlantic area to accede to this treaty. Any state so invited may become a party to the treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the parties of the deposit of each such instrument of accession.

ARTICLE 11

This treaty shall be ratified and its provisions carried out by the parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxemburg, the Netherlands, the United Kingdom, and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

ARTICLE 12

After the treaty has been in force for 10 years, or at any time thereafter, the parties shall, if any of them so requests, consult together for the purpose of reviewing the treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

ARTICLE 13

After the treaty has been in force for 20 years, any party may cease to be a party 1 year after its notice of denunciation has been given to the Government of the United States of America, which will inform the governments of the other parties of the deposit of each notice of denunciation.

ARTICLE 14

This treaty, of which the English and French texts are equally authentic, shall be deposited in the Archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the governments of the other signatories.

In witness whereof, the undersigned plenipotentiaries have signed this treaty.

Mr. WHERRY. Mr. President, it is 1 minute of 6 o'clock. Will the Senator yield for a question?

Mr. LANGER. I yield.

Mr. WHERRY. I am wondering if the distinguished Senator is at a convenient place in his address where he can discontinue this evening and resume tomorrow?

Mr. LANGER. I do not think I can finish tonight. I have a dinner engage-

ment with some postal employees from Pennsylvania, and I promised to be there at 6 o'clock.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield in order that I may propound a request to the distinguished Senator from Texas, the chairman of the Committee on Foreign Relations?

Mr. LANGER. Certainly; I yield.

Mr. WHERRY. I ask the distinguished Senator from Texas whether it is his purpose to continue the session, or how he would feel about a recess at this time?

Mr. CONNALLY. It is our purpose to recess until tomorrow at noon.

Mr. WHERRY. Is there any objection to the senior Senator from North Dakota continuing his address tomorrow?

Mr. CONNALLY. Personally I have no objection to his resuming the floor tomorrow, but I do not wish to enter into any agreement, because to do so would be an infringement of the right of whoever might be in the chair tomorrow to recognize whom he pleased. I do not think there would be any question about it, but I would not care to make an agreement.

The PRESIDING OFFICER. May the Chair state to the Members of the Senate who are present that it is the understanding of the Chair that, as set forth in rule XL—

Any rule may be suspended without notice by the unanimous consent of the Senate, except as otherwise provided in clause 1, rule XII.

Therefore it is the view of the Chair that, although rule XIX does provide that—

When a Senator desires to speak he shall rise and address the Presiding Officer, and shall not proceed until he is recognized, and the Presiding Officer shall recognize the first Senator who shall first address him—

Nevertheless, if a unanimous-consent agreement should be entered into this afternoon, that rule might be waived.

Mr. WHERRY. I am well acquainted with the rule the Chair has read, and I certainly agree with the distinguished occupant of the Chair as to his interpretation. By unanimous consent the Senate can do anything. I do not intend to press the distinguished Senator from Texas, but I feel that it would be most unfair to the Senator from North Dakota if he were not permitted, as a natural sequence, to conclude his address. If the distinguished chairman of the committee does not want to make an agreement, he might give us his assurance that the Senator might proceed.

Mr. CONNALLY. Of course, Mr. President, I recognize that a unanimous-consent agreement wipes out all rules, but I do not care to make a formal agreement in the absence of the Vice President and others. Personally, I shall not object to the Senator from North Dakota proceeding tomorrow, and I am sure that by my speaking to other Senators interested there will be no objection to his doing so.

Mr. LANGER. If I stop now and speak tomorrow, will that be considered my second speech on the pending question?

The PRESIDING OFFICER. The Chair rules that if objection should be made and the occupant of the chair tomorrow should recognize some other

speaker, and the Senator from North Dakota should later gain the floor, that would be his second speech. However, if the Senator shall gain the floor tomorrow without any objection being made, it is the judgment of the present occupant of the chair that that would be considered and should be considered as merely a continuation of the speech in which he is now engaged, and therefore his first speech on the subject.

Mr. WHERRY. Mr. President, if the distinguished Senator from North Dakota relies upon the assurance of the chairman of the Committee on Foreign Relations that there will be no objection—

Mr. CONNALLY. There will be no objection so far as I know.

Mr. WHERRY. I should like very much, if possible, to assure the Senator from North Dakota that he might continue tomorrow.

Mr. CONNALLY. May I inquire of the Senator from North Dakota how long he thinks he will occupy the floor tomorrow?

Mr. LANGER. In my judgment, about an hour and a half.

Mr. CONNALLY. Is that the best guess the Senator can make?

Mr. LANGER. That is my estimate, about an hour and a half. It may be 2 hours.

Mr. CONNALLY. Very well.

Mr. WHERRY. What assurance does the Senator have that he may proceed?

Mr. LANGER. The word of the Senator from Texas is good. That is all settled.

Mr. CONNALLY. I cannot control every other Senator, but so far as I am concerned, the Senator may proceed tomorrow.

Mr. LANGER. Very well.

RECESS

Mr. CONNALLY. Mr. President, I move that the Senate stand in recess until 12 o'clock tomorrow.

The motion was agreed to; and (at 6 o'clock and 4 minutes p. m.) the Senate took a recess until tomorrow, Thursday, July 14, 1949, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate July 13 (legislative day of June 2), 1949:

IN THE ARMY

CHIEF OF CHAPLAINS

Col. Roy Hartford Parker, O12565, Chaplain, United States Army, for appointment as Chief of Chaplains, United States Army, and for appointment as major general in the Regular Army of the United States, under the provisions of section 15, National Defense Act, as amended, and title V, Officer Personnel Act of 1947.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 13, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, Rev. Jacob S. Payton, D. D., offered the following prayer:

Our Heavenly Father, this day we pray that we may consider what is good in Thy sight rather than what seems good in our own. May we not ask formally for

Thy strength and wisdom without making an effort to use what we already have. With pride and gratitude, O Lord, we recall the long and glorious struggle by which human liberties have been won. With concern we see the disappearance of these liberties in certain lands. May Members chosen to represent the people in this body remain dedicated to the ideals of truth and righteousness upon which this Nation was established and upon which alone free governments can survive. For Jesus' sake we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1803. An act to authorize the attendance of the United States Marine Band at the Twenty-third Annual Convention of the Reserve Officers' Association of the United States, to be held in Grand Rapids, Mich., July 27 through July 30, 1949.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50-2.

EXTENSION OF REMARKS

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include a very wonderful article by Mr. Charles Irwin Wilson, president of the General Motors Corp., entitled "Americans Are Lucky." It is one of the finest articles I have ever read. I have presented this to the Public Printer, and the expense will be \$240, but I ask unanimous consent that it be printed notwithstanding.

The SPEAKER. Notwithstanding, and without objection, the extension may be made.

There was no objection.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include excerpts.

Mr. LODGE asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous material.

Mr. GOODWIN asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include an editorial.

FEDERAL JUDGES AS CHARACTER WITNESSES

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, the Hiss trial in New York has raised a number of interesting questions. One of the most important, in my opinion, is the propriety of United States Supreme Court Justices as character witnesses in behalf of defendants. I do not know if these men appeared voluntarily or by subpoena but the fact remains that they are now disqualified from participating in this case in the event it should ever reach the Supreme Court on appeal. Appearances by judges of our Federal courts in any litigation is, in my opinion, against the public interest. Further, it is beneath the dignity of these courts.

Mr. Speaker, I am today introducing a bill to provide that no Federal judge shall be compelled to appear as a witness in any judicial action where such appearance would be as a character witness. I trust the proper House committee will give it early consideration.

RECONSIDERATION OF RECIPROCAL TRADE AGREEMENTS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, "Chickens come home to roost" is an apt proverb. The concessions which we have made in negotiating trade agreements are coming home to plague us. Uncontroverted testimony taken recently before the House Merchant Marine and Fisheries Committee showed very clearly that increased imports of fresh and frozen fish products have brought about great unemployment in New England fish areas—in some cases reaching 50 percent. Anticipated new imports threaten the fishing industry in California and the Pacific Northwest. Management and labor are both considerably concerned. The future of our fishing industry is uncertain.

But fisheries are only one segment of our economy. As many Members know, other segments are beginning to feel the full effects of reciprocity carried to an extreme and without due regard to the welfare of domestic industry.

In my own area imports of Canadian berries produced with lower cost labor have disrupted the market to such an extent that much of last year's domestic crop is still in cold storage. Imported berries undersell our own, and the local berry growers are faced with a genuine problem.

Our lumber industry is hard hit. Some mills are closing down. Others are curtailing production. Unemployment is increasing. In my congressional district is located the lumber capital of America. Yet, Canadian producers of lumber have come into that district and have underbid local manufacturers. They offer to deliver lumber right into the heart of that district at a cost less than that of the domestic producer. They are able to do so because of their much lower labor costs and because of our reciprocal trade theories as presently

practiced by those charged with negotiating trade agreements.

It is high time we took another look at the reciprocal trade-agreements legislation. While we support the general theory of reciprocal trade, many of us feel that not sufficient regard has been accorded domestic industry. There is peril in that disregard.

The AP carried a story Sunday, quoting Senator HOWARD McGRATH, chairman of the Democratic National Committee, to the effect that an effort is being made in the other body to reach a compromise on the reciprocal trade-agreements bill. The proposal involves the peril-point amendment which has been strongly supported by many Congressmen.

This amendment, which was defeated in the House, would require the Tariff Commission to fix in advance the low point to which duties could be reduced without damaging American industry. It would report its findings to the President for his information in the negotiation of tariff agreements.

The possibility of a compromise probably arises from the many job lay-offs that have occurred in recent weeks, particularly in New England. However, that may be, I sincerely hope that the peril-point amendment will receive favorable action, and when the bill comes to conference I trust that the House conferees will concur in the Senate amendment.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in the RECORD in two instances and in each to include an editorial.

Mr. GOSSETT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Memphis Commercial Appeal.

Mr. EVINS asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial and in the other an address by Gen. Bedell Smith before the conference of governors.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include a copy of the bill he is today introducing.

Mr. TAURIELLO asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Buffalo Evening News.

Mr. HEBERT asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in the Appendix of the RECORD and include an article by Dorothy Thompson.

RETIREMENT OF DR. DAVID J. PRICE

Mr. COMBS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Speaker, the Department of Agriculture has announced that Dr. David J. Price, distinguished chemical engineer and expert on the

causes and prevention of dust explosions and agricultural fires, retired from service in the Bureau of Agricultural and Industrial Chemistry on June 30, after more than 37 consecutive years of Federal service.

Dr. Price has been designated by the Secretary of Agriculture to represent the Department in many national undertakings. At the request of Gov. James V. Allred, he was directed by the Secretary of Agriculture to investigate the cause of the New London, Tex., school explosion which occurred on March 18, 1937, and took the lives of 293 pupils and teachers. The report of his investigation was presented to the Senate by Senator CONNALLY and it was published as Senate Document No. 56—Seventy-fifth Congress, first session. The recommendations in this report were applied in many school buildings and places of public assembly in all sections of the United States, which resulted in the adoption of precautionary measures for the protection of life and property.

Dr. Price has long worked closely with firemen's groups throughout the United States as a firemen's training consultant on fires involving chemicals and farm products. Widely known for his work in promoting accident and fire prevention in industrial centers, on farms, and in rural communities, he has been honored by membership in the International Association of Fire Fighters, the International Association of Fire Chiefs, and many State and local firemen's associations. He is internationally known for his outstanding contributions in promoting accident- and fire-prevention work for the greater safety of workers in industry and agriculture.

Two outstanding examples of national service rendered by Dr. Price are his service on the committee named by President Roosevelt to organize the fire-fighting procedures in the civilian defense program in World War II and President Truman's National Conference on Fire Prevention, in which he served as the Department of Agriculture representative on the Committee on Fire Fighting Services.

The Committee on Civilian Defense organized a system to round out our defense structure which could be quickly and easily expanded to meet any emergency. The organization developed was not only effective during the war period but has been of great value in meeting devastating peacetime disasters such as fires, floods, earthquakes, tornadoes, hurricanes, explosions, and similar catastrophes, many of them occurring in farm and rural areas.

Dr. Price leaves behind him an enviable record of accomplishment in the Department of Agriculture in the practical application of the results of scientific research for the saving of life and property in both industrial centers and farm and rural communities.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 10 minutes on Monday next at the conclusion of the legislative business of the day and other special orders heretofore granted.

THE LATE FRANK J. G. DORSEY

Mr. GREEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREEN. Mr. Speaker, Frank J. G. Dorsey, a former member of this body, is dead. I knew him as friend, adviser, and inspiration to young men starting on a political career. He represented our district in the Seventy-fourth and Seventy-fifth Congresses. Frank accomplished what then seemed the impossible, a Democratic Congressman elected from a district that had sent nothing but Republicans to the House in the previous 24 years. The story of his great abilities preceded him to Washington, for he was appointed to a major committee as a freshman Congressman, the Military Affairs Committee.

Much of the New Deal legislation was written while he served in this House. When TVA legislation was almost stymied in the Military Affairs Committee, President Roosevelt held a man-to-man talk with Frank at the White House, and he was able to influence enough cocommitteemen to have the bill reported out to the floor. What Tennessee Valley Authority meant to American production in the last war is now well established in our minds.

Congressman Dorsey went all out and down the line 100 percent for the Roosevelt program. I can well remember when our honored Speaker was majority leader of the House. He accompanied Frank to our district, where they engaged the counsel of a local utility company in public debate on the then pending Wheeler-Rayburn bill, particularly on the subject of holding companies.

In his youth Frank Dorsey was an athlete of renown. He and his brother Harry were champion runners, trained by an athlete father. Our former Congressman was captain of the University of Pennsylvania track team. He graduated from the Wharton School of the University of Pennsylvania with high honors. Frank enlisted in the Army in World War I and came out a first lieutenant. He was past post commander of Oxley Post, American Legion, and past district commander. His only other fraternal connection was the Knights of Columbus, of which he was a fourth-degree member. His council, St. Leo's, had honored him with high office, as had the district Knights of Columbus.

His last 10 years were occupied with managership of the Wage and Hour Division at its Philadelphia office. He made life difficult for chiseling manufacturers and thereby evoked the hearty approval of the many decent employers and labor as well.

Sincere, honest to the penny, indefatigable worker, fair and sympathetic, the wages-and-hours offices in Pennsylvania join me in declaring our loss. We extend our heartfelt sympathy to the beloved wife and daughter and to the brother and sisters who survive Frank.

Never was a man more loved by his family. Few who have held high offices have enjoyed such genuine esteem from fellow workers.

Mr. GREEN. Mr. Speaker, I ask unanimous consent that all Members of the Pennsylvania delegation may have permission to extend their remarks on the life, character, and public service of our late colleague.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FEDERAL JUDGE KAUFMAN

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, the charge has been made on the floor of the House by Republican and Democratic Members of this body that Judge Kaufman, who presided in the Alger Hiss trial, was guilty of conduct reflecting discredit upon the bench. This serious charge presumably applied to the general conduct of the judge during the trial.

Today I want to inform the House of a specific example of the judge's conduct in which he tried to intimidate the press. The judge said, from the bench, that it was unfortunate that there was so much comment in the press about the trial. He said reporters and columnists had no right to express their views on the trial, and I quote:

What the court can do about it, I do not know, but after the conclusion of this trial that subject should be considered, either by the court or through some other method.

Mr. Speaker, I label such an unprecedented and unheard-of statement by a Federal court judge a direct threat to the freedom of the press.

I am proud to say that the press was not intimidated by this unusual statement by Judge Kaufman, and Congress has not been intimidated either by political attempts to silence criticism of his bias for Alger Hiss.

Of course, the judge has a perfect right to protect proceedings before him from any outside interference or influence that would be prejudicial to justice. Had Judge Kaufman limited himself to that area, he would not be subject to criticism by me now. The bench is amply empowered to handle such matters. He went far beyond his authority. What did he mean by some other method?

What did the judge mean by such a challenge? In the history of American courts I do not believe such a similar statement has ever been made. What plans did he have to make the American press succumb to his will? Now that the trial is ended what is he going to do?

Gentlemen, Judge Bean is long dead, and his methods must not be revived in today's courts.

It is the duty and obligation of the press to watch the courts and the judges the same as it is for the press to keep an eye on the operations of all American institutions.

No judge will be criticized who does not earn that criticism. If his conduct is above reproach it cannot be smirched.

I agree with my colleagues that Judge Kaufman's conduct reflected discredit upon the bench. Furthermore, I accept the judge's challenge to muzzle the press. Almost a week has passed since the trial ended, and the judge has not carried out his threat. I trust that his wiser colleagues on the bench have pointed out his indiscretion to him. What is his next step going to be?

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include an article by Robert Moses, of New York.

Mr. LICHTENWALTER asked and was given permission to extend his remarks in the Appendix of the RECORD and include a statement on the death of a former Member.

Mr. PHILLIPS of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

ARE WE APPROACHING SOCIALISM?

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, step by step the Congress is annihilating the free enterprise system and taking the Nation into the mire of socialism; that is, tyranny. The Poage bill, which would put the Washington bureaucrats in the telephone business, is just another move in that direction. Being free from paying taxes and having their losses made good by taxpayers, it eliminates competition for them, thus placing them in the position of undermining and destroying the privately developed telephone service of the country.

FORT SUMNER IRRIGATION DISTRICT, NEW MEXICO

Mr. PETERSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 276) to authorize a project for the rehabilitation of certain works of the Fort Sumner irrigation district in New Mexico, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. PETERSON. Mr. Speaker, this has to do with the Fort Sumner irrigation project in New Mexico. The bill passed the House last year. Now it has passed the Senate.

Mr. MARTIN of Massachusetts. How much money is involved?

Mr. PETERSON. One million, eight hundred thousand dollars, all of which is reimbursable.

Mr. MARTIN of Massachusetts. This bill was unanimously approved by the committee?

Mr. PETERSON. It was unanimously approved by our committee and it passed the Senate unanimously.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of providing water for the irrigation of approximately 6,500 acres of arid lands on the Pecos River in New Mexico, the Secretary of the Interior is hereby authorized to rehabilitate, operate, and maintain in accordance with the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) the irrigation system of the Fort Sumner irrigation district in New Mexico and to construct all necessary works incidental thereto: *Provided*, That the project shall not be initiated until contracts satisfactory to the Secretary of the Interior shall have been executed with—

(a) an irrigation or conservancy district, satisfactory in form and powers to the Secretary and embracing the lands of the project as determined by him, obligating the district, among other things, (i) to repay to the United States without interest the cost of rehabilitating and constructing the project, the terms to be such as will secure repayment as rapidly as, in the judgment of the Secretary, the district can reasonably be expected to make repayment and, in any event, within the useful life of the project; (ii) to pay for or otherwise provide adequate operation and maintenance, including replacements, of the project works during the period of the contract; and (iii) to furnish the Secretary with such control over and access to project works which are owned by or within the control of the district as he may require in order to safeguard the investment of the United States in the project; and

(b) the holder or holders of at least 90 percent of the outstanding general obligation bonds of the Fort Sumner irrigation district providing for such refinancing or cancellation of those bonds and scheduling of payments of principal and interest called for thereby as the Secretary believes necessary in order to insure fulfillment of the obligations required under (a) above.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FEASIBILITY OF AN ADDITIONAL CROSSING OF SAN FRANCISCO BAY

Mr. WELCH of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include a statement by John J. Manning and also a report by the Secretary of Defense with reference to a second crossing over San Francisco Bay.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH of California. Mr. Speaker, yesterday Admiral John J. Manning, Chief of the Bureau of Yards and Docks, made an astounding statement designed to put the "kiss of death" on a report of a joint Army-Navy board of engineers, created by an act of this House, and filed with this body, and a report of the Military Establishment by intimating the unbelievable, that the

Secretary of Defense was about to stultify himself by repudiating his former decision with reference to the second San Francisco Bay crossing.

Mr. Speaker, while seriously deploring Admiral Manning's untimely statement, we should, however, remember those splendid men who, in the recent past, patriotically and unselfishly guided the destiny of that important branch of our national defense—the Navy—Hon. John L. Sullivan, the late Hon. James Forrestal, and the Honorable Francis P. Matthews, who in their turn all unqualifiedly approved the report of that joint Army-Navy board of engineers and the report of the Secretary of Defense, the Secretary of the Army, and the Secretary of the Navy, who favored a southern crossing and were against the proposed carbon-copy parallel bridge which, should it be built, must of necessity run through Yerba Buena Island, a United States Government-owned island. We should also keep in mind the outstanding and patriotic leadership of the chairman of the Armed Services Committee of this House, the gentleman from Georgia, the Honorable CARL VINSON, and the no less capable ranking minority Member, the gentleman from Missouri, the Honorable DEWEY SHORT.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes today after disposition of matters on the Speaker's table and at the conclusion of any special orders heretofore entered.

RURAL TELEPHONE SERVICE

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2960, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, action had been taken that debate on the committee amendment and all amendments thereto close in 15 minutes.

Mr. LECOMPTE. Mr. Chairman, I ask unanimous consent that the Hope amendment be again read.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk again read the Hope amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I rise in opposition to both the committee amendment and the amendment to the committee amendment which has been offered by the gentleman from Kansas [Mr. HOPE].

I want to state first, that I am very much in favor of the principle of this act in seeking to provide telephone service in our rural areas. Just as the REA legislation brought the lamp of electricity to the farmhouses, this legislation will bring the farmer in direct communication with the community in which he lives, and will remove the isolation which is now his lot in many sections of our Nation.

The committee has stated that the only purpose of the amendment is to reaffirm the fact that the bill does not propose to interfere with the rights of the State public utility regulatory agencies in supervising the operations of private telephone companies operating within their jurisdiction. If this be true, there is no need for the amendment because the Federal Government cannot interfere with such jurisdiction. I am impressed, however, with the fact that while the intention of the amendment is therefore meaningless, its vagueness and ambiguity may create some difficulties as a matter of interpretation. It is entirely possible that cooperatives and public corporations, which are not subject to regulation by public utility agencies in most States might, by a strict interpretation of the language of the amendment, be precluded from applying for funds unless they obtain certificates of convenience and necessity from the public utility commissions. If this interpretation be adopted, it will in truth be directly contrary to stated intention of the amendment by compelling a procedure which is not now required.

I am opposed, as well, to the Hope amendment, inasmuch as it would create a new precedent in legislation of this type. The Hope amendment would prevent all duplication of facilities, even though in many cases such duplication may be essential in the public interest. No such provision exists in the present rural electrification legislation and certainly does not exist in legislation creating the Tennessee Valley Authority and other public power projects.

The future, however, may indicate that a duplication of service is needed where the service afforded in a particular area does not meet the public need. While I would want the operator offering existing service to be given the opportunity to provide and expand his facilities, I would not want to remove the possibility of permitting a new operation where required. Furthermore, I believe the Hope amendment would deter the organization of cooperatives in areas in which they may be needed, in order to protect the consumer from inadequate service and exorbitant rates.

The CHAIRMAN. The Chair recognizes the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, without seeking to detract from the gentleman from Texas, it so happens that as a member of the Committee on Agriculture I offered in committee the amendment which is now before you as the committee amendment. At that time in its original form it somewhat resembled the amendment offered by the gentleman from Arkansas, but after long and careful discussion and consideration it was

felt, I think, by all of us on that committee that the amendment in that form would lead to complications and would curtail and restrict the benefits of this measure. Therefore, we adopted the amendment in its present form. However, as has been brought out, it extends only to 15 States. The perfecting amendment offered by the gentleman from Kansas remedies this defect and lays down a policy which in my opinion safeguards and protects this measure from the objections that many might have regarding it as encroaching upon private enterprise. I hope that the committee amendment and the perfecting amendment offered by the gentleman from Kansas will be adopted, and with those safeguards, I can with confidence vote for this bill.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, the need for this legislation is not very acute in my district, the Seventh of Minnesota. In almost every village in the district we have small telephone companies in operation which, in most instances, are prepared to give good service to any farmer in their immediate areas.

However, this is not the case in many parts of the United States. For example, testimony has been given to the House to the effect that less than 4 percent of the farmers in the State of Mississippi have telephones in their homes. We must, of course, protect the interests of the telephone companies now serving their communities and see to it that duplicating lines are not brought into these areas with funds provided in this bill. It is my understanding that the amendments which are under consideration now will prevent that possibility. In Minnesota, for instance, our Railroad and Warehouse Commission will have the right, under this bill, to determine whether or not the REA should make a loan in any particular community. With these safeguards in the bill and knowing as we all do the splendid job which REA has performed in bringing electricity to the rural sections of America, I do not think we need fear but what this legislation will benefit everyone concerned. The companies now giving telephone service to our numerous communities have 6 months priority over any other applicants, during which time they may ask for loans from the REA, at the very low rate of 2 percent interest, for the purpose of improving and expanding their systems. Many of our smaller companies have need of these loans and can use them to advantage.

The telephone is more of a necessity in the farm home than it is in the village. It is a great comfort and satisfaction to rural people to know that if they need a doctor in an emergency they have a telephone close at hand. In this day of almost complete mechanization on the farm, it is also comforting to know that if a combine breaks down, the farmer can step to the telephone and find out where he can obtain the necessary repairs instead of traveling many useless miles looking for a dealer who has the parts he needs.

We need only to consider the splendid record of repayment of loans by our REA associations to know that the loans made available under this legislation will have the same record of reimbursement.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I intend to support the perfecting amendment offered by the gentleman from Kansas and the committee amendment, and I intend to vote against the substitute amendment offered by the gentleman from Arkansas. I think by following that procedure we will have a good bill, and I hope it will pass.

Mr. LEMKE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. LEMKE. Mr. Chairman, I am in favor of this bill. I am in favor of the Poage-Hope amendments. These amendments will protect the small independent companies. They are entitled to protection.

I am especially in favor of this bill, because I believe that all farmers are entitled to telephone service. In many parts of my State and in many other parts of other States, the farmers have been and are deprived of proper telephone service.

The enactment of this bill will not only save the farmers unnecessary trips to the cities and villages, but it will enable them to do part of their business by phone. It will also help the businessmen in the cities and towns. It will establish a closer contact between city and rural people.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, I am greatly pleased to note that the committee report on the rural telephone bill, H. R. 2960, shows that of 208,934 farms in Iowa 165,760 have telephones. This percentage of 79.3 percent is the highest percentage of farms equipped with telephones of any State in the entire Nation. While most of the farms of Iowa have telephone service, and most of this service is satisfactory today, much of Iowa's rural telephone service is very unsatisfactory because of the cost of adequate service due to distances involved and other factors some of which make it unfeasible for existing telephone companies to extend adequate service without the risk of great financial loss.

The Rural Electrification Administration was created on May 11, 1935, by an Executive order issued by the President under the authority of the Emergency Relief Appropriation Act of 1935. The original program was for only 1 year, but Congress later authorized a 10-year program by enacting the Rural Electrification Act of 1936. The REA became an agency of the Department of Agriculture on July 1, 1939, under the Reorganization Plan which became effective on that date.

REA was established to make loans at low interest to cooperatives, municipalities, other public bodies and private utilities to finance the construction and operation of facilities to furnish electricity to persons in rural areas not receiving central station service. In Iowa we have come to look upon REA as a very successful and popular agency because it has brought electric service to or within reach of nearly every Iowa farm without intruding upon the field served by the private electric utilities.

When the suggestion was first made to the farmers of Iowa that REA be given the authority to make loans to improve rural telephone service, the farmers of Iowa looked upon the matter with approval because of their confidence in REA and their belief that REA could extend them service where needed without intruding upon the field already adequately served by private companies.

H. R. 2960, a bill to amend the Rural Electrification Act to provide for rural telephones, and for other purposes, was introduced in the House of Representatives on February 24, 1949, by Mr. Poage and referred to the Committee on Agriculture. The bill was reported out of Committee on March 9, 1949.

H. R. 2960 would expand the existing lending authority of the Rural Electrification Administration so as to authorize the Administrator to make loans for the purpose of financing or refinancing the improvement, expansion, construction, acquisition and operation of telephone lines, facilities or systems to furnish and improve telephone service in rural areas.

Such loans could be made for periods not exceeding 35 years at an interest rate of 2 percent per year on unpaid balances. The loans would be self-liquidating over their terms.

Among other things the bill provides:

(a) That in making loans the Administrator shall give preference to persons providing telephone service in rural areas on the effective date and to public bodies, cooperative, nonprofit, limited dividend, or mutual associations;

(b) That for 6 months after the effective date applications shall be received only from persons engaged in the operation of rural telephone service;

(c) That when the Administrator determines it to be necessary to furnish or improve service in rural areas, loans may be made to finance the improvement, expansion, and construction of telephone lines, facilities, or systems operated outside of rural areas;

(d) That the Administrator shall not make any loan unless he finds and certifies that in his judgment the security is reasonably adequate and that repayment will be made within the agreed time;

(e) That the bill shall not be construed to deprive any State regulatory agency of its jurisdiction to regulate telephone service not subject to regulation by the Federal Communications Commission; and

(f) The Committee on Agriculture very wisely provided by the Committee amendment now under consideration that in States in which rural telephone service is subject to State regulation and

certification, loans will be restricted to applicants holding the required State certificates of convenience and necessity.

The amendment offered by the gentleman from Kansas [Mr. HOPE] to the committee amendment provides further that—

In a State in which there is no such agency or regulatory body, legally authorized to issue such certificates to the applicant, the Administrator shall determine, and his determination shall be final, that the loan sought to be obtained will not result in the duplication of telephone service being offered to subscribers who are already receiving adequate and reliable telephone service.

The proposed amendment and the amendment offered by the gentleman from Kansas [Mr. HOPE] will go far in protecting the telephone companies engaged in extending service to our farmers. I know that leading farmers of my district and of the State of Iowa feel that existing companies should be given a reasonable time to prove their intentions to provide service and I do not believe that any State regulatory body will issue a certificate of convenience and necessity to an applicant until existing companies have such reasonable time. I do not believe that the Administrator should deprive existing companies of such reasonable time to prove their intentions to provide service. If this safeguard is given to private telephone companies by the adoption of the committee amendment and the amendment offered by the gentleman from Kansas [Mr. HOPE] the bill will fill a very real need of our farmers and it is deserving of support and I will support it vigorously.

Mr. LOVRE. Mr. Chairman, in the First District of South Dakota, one of the greatest agricultural districts in these United States, the people are generally rugged individualists. I am proud if I carry that spirit to the halls of Congress. As a champion of the free-enterprise system, I naturally would not want to have a part of any legislative program which would harm in any way the spirit of individual initiative and the cherished free-enterprise system in America.

The farmers of the First District of South Dakota are dependent upon me to do what I can to promote legislation which is in their interest. Therefore, I have a grave obligation to them to lend my support to legislation which would be beneficial to them. They have indicated, and statistics also reveal, a real need for expanded and improved rural telephone service. Many areas of South Dakota are not adequately served by telephone lines and I feel that it is of the most critical importance that the farmer have outside communication. In many cases, the rural dweller has a far greater need for easy means of communication than his city cousin. The remote areas, where in reality telephone services are the most badly needed, have, in many cases, been neglected.

While I recognize the magnificent strides that have been made by the private, independent, and cooperative telephone companies in extending rural facilities, the fact still remains that only about half of the farm homes in this country have telephone service. In

South Dakota this figure is something like 45 percent.

These figures, together with the urgent pleas of the people, point up the need for some method of bringing telephone communication to the farms, ranches, and rural areas of this country.

How can we best accomplish this? As I said before, I firmly believe in the free-enterprise system. This spirit has made America what it is today. Without destroying or impairing the free-enterprise concept, I believe the Government can offer assistance in providing service where it is so badly needed.

I have made a careful study of H. R. 2960, the rural-telephone bill which is before us. I have also viewed with a good deal of interest the amendments which have been offered to that measure. I believe the measure, with the proposed committee and Hope perfecting amendments points out a solution to the critical needs for extending service to farm consumers. It is my conviction that H. R. 2960 encourages rather than destroys the free-enterprise system. The provisions of the bill are applicable to all companies on like terms.

The REA idea as applied to the distribution of electrical energy has proved to be sound. Through this program, we have built up the percentage of electrified farms from a national average of 11 percent to about 75 percent today. While South Dakota lags behind in percentage of electrified farms, huge strides are being made by the REA in bringing central station electrical service to rural homes.

I believe the idea of the REA could be applied to the telephone problem with equally beneficial results. If the one is sound, the same principle applied to the other should be equally as stable.

When the REA came into being, vast rural areas were without electrical service. This problem was solved, in part, through the organization of farmer cooperatives and rural associations. In the case of telephones, the situation is somewhat different as there are a good many small private and independent companies operating in rural areas. In South Dakota I believe there are some 700 telephone companies of which 583 are rural farm lines. Practically all of these are owned by farmers who by very considerable expense and sacrifice have constructed and maintained them for many years. Some of these lines have been furnishing service for 30 or 40 years. Many of them are in bad physical condition, and will be glad of an opportunity to obtain loans at 2 percent for rehabilitation according to reliable information I have received.

These organizations and their customers can reap the greatest benefits from the easy credit which this bill makes available. In fact, a clear priority is given to these concerns now in existence which I believe is correct and proper.

There are further safeguards to the public in this measure. One would require that proof of capacity to provide rural service be made to the REA Administrator. An additional safeguard, which I believe is carefully and specifically spelled out in the bill with the

amendments, is the provision leaving regulatory powers with the several States. This makes very clear the prohibition of any Federal interference with State policy concerning communication construction. It further places authority in the hands of the State regulatory bodies to protect the interests of the public, the taxpayers, and the business itself through requiring certificates of convenience and necessity before telephone-construction loans could be authorized. This would place control of the program where it belongs, as close as possible to the people themselves. This safeguard should also allay any fears that public funds might be used to finance duplicating lines and that such a program would destroy private business.

I am happy to support this bill with the committee amendment and the perfecting amendment by my distinguished colleague the gentleman from Kansas [Mr. HOPE]. These amendments which protect the public interest in all of the States, whether or not they have regulatory bodies, provide that no construction loans shall be made in any State which now has or may have a regulatory body, without a certificate of convenience and necessity if such is required. Furthermore, if a State does not have a regulatory body legally authorized to issue such certificates the Hope amendment is specific in directing that no loans be granted by the REA Administrator which will result in duplication of telephone service to subscribers who are already receiving adequate and reliable telephone service.

I believe this legislation will provide the necessary credit to bring telephone facilities to the farmer and while carefully protecting—in fact actually assisting and promoting—the free-enterprise system. It provides the monetary support necessary to bring badly needed communications to the farmer.

Money to be expended under this proposal would not be spent but merely invested in long-term Government loans. We can be perfectly consistent in demanding economy in Government and in insisting on the preservation of the free-enterprise system and at the same time support this bill, which I feel is of vital importance to the American farmer.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LeCOMPTE].

Mr. LeCOMPTE. Mr. Chairman, anyone who has ever lived in a rural community knows the importance and value of rural telephone service. We have reached a point where farms can hardly operate efficiently without telephone service. I am happy to join with my colleague the gentleman from Iowa [Mr. MARTIN] in calling attention to the fact that we do have very extensive rural telephone service in Iowa. I think it is important to adopt the perfecting amendment offered by the gentleman from Kansas [Mr. HOPE] which amends the committee amendment so as to be certain that we will not have duplication. There is no headache more annoying than two telephone systems in the same community. The farmers will not thank this Congress if we pass legislation that

opens the gates for duplication of telephone services all through the rural sections. I think that with these amendments, which I believe the great Agriculture Committee is ready to accept, Mr. Chairman, we will have an excellent bill, and I will be happy to vote for the bill. The REA has brought electricity to thousands of farm homes and I have been happy to support the program consistently. Now we have electricity to an estimated 80 percent of the farms in Iowa. We must continue to improve the efficiency and utility of agriculture.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I desire to repeat that the Hope amendment is a good amendment and should be adopted. When the Hope amendment is adopted and added to the committee amendment the bill will then provide protection for private companies and likewise it will provide protection of Government funds. None of us want loans granted to cooperatives to be used in duplicating telephone facilities which are now adequate and through which satisfactory telephone service is being made available. The amendment offered by my friend from Arkansas should not, in my opinion, be adopted. The committee amendment plus the Hope amendment is as far as we should go. The committee amendment requires that a certificate of convenience and necessity be obtained by the applicant if there is a duly constituted and legally authorized regulatory agency in the State in which the application is filed. If no such agency exists and there is no person, committee, commission, or agency authorized to deal with the subject and charged with the responsibility of issuing such certificates of convenience and necessity, such State could, of course, legally create and authorize such agency, committee, or commission, and when so created and authorized then the convenience and necessity certificate would have to be obtained. In this connection I desire to again emphasize the fact that we have no right in this bill, or for that matter in any other bill, to require States to create agencies and to charge them with responsibilities such as appear to us to be either necessary or desirable. But, when the Hope amendment is adopted and an applicant in a State which has no regulatory body legally authorized and charged with the responsibility of making the determinations incident to the issuance of certificates of convenience and necessity, then and in that event, under the Hope amendment, the Administrator will be charged with the responsibilities of first determining that the loan will not be used to duplicate existing facilities which are adequate and which are rendering satisfactory service. What more could we do? What more should we do? The Gathings amendment should be defeated. The Hope amendment should be adopted, and the committee amendment should be approved.

We know that the private operating companies, now engaged in the telephone business, are not in favor of this legislation. I doubt if it could be amended so as

to meet with their approval. We know, too, that private telephone companies are not expanding rural telephone lines as rapidly as they should be expanded. It is only reasonable to believe that the construction, maintenance, and operation of rural lines is more expensive and less profitable than telephone lines in heavily populated areas. This bill will bring great relief to the rural sections of America and it should be approved in the form in which it is presented to this House. I urge you, therefore, to accept the committee amendment and to approve the Hope perfecting amendment and to defeat the Gathings amendment.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The question is on the amendment to the committee amendment offered by the gentleman from Kansas [Mr. HOPE].

Mr. SMITH of Wisconsin. Mr. Chairman, I ask unanimous consent that the amendment be again read for the information of the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk again read the Hope amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE] to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The Clerk will again report the substitute amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The Clerk again reported the substitute amendment.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment was agreed to.

Mr. SUTTON. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SUTTON: On page 4, line 1, after the word "associations", strike through the word "areas", on line 6.

Mr. SUTTON. Mr. Chairman, as I stated yesterday, I offered this amendment in the Committee of Agriculture to strike out this provision. The amendment was defeated by one vote in the Committee on Agriculture. Personally I think this is a good amendment. I think it is proper to strike out this section, for this reason: This proviso in the bill permits the big telephone companies, who now control 82 percent of the telephones of America, to more or less gobble up all of the money at 2 percent. It is my understanding that the intent of Congress in the passage of this bill is to provide rural telephones instead of making a loan of cheap money to the giant telephone companies.

We all realize, and common sense tells us, that any big concern, like the American Telephone & Telegraph Co. or the Southern Bell, or any other existing company today, would like to borrow every dime that the REA will have to loan at 2 percent. If we give them 6 months' preference in borrowing this money, no co-op will ever have a chance to borrow a dime. It stands to reason, since these big companies have not extended telephone service to some of our remote and rural areas before now, they will not do it at all even with this money, because under the provisions of this bill they cannot only construct, but they can also improve the lines that they now have. By providing this 6-month provision they will borrow all this money and not let the co-ops borrow a single dime, because at the end of 6 months there will not be any money left.

They will improve the lines if they have the right to do so; as a result, there will be no more telephones in remote areas than we have at the present time. I believe, in all fairness to the farmers and the people in the remote areas, that their service should be extended and improved. The entire intent and purpose of this bill is to promote telephone service to those people in remote areas that private concerns have not yet served, and I do not see why we will not let them have the money to improve their own situation today, and especially in the rural areas. And for this reason I offer this amendment to reach the people out in the country, to reach the people who will be unable to get telephones if this provision is not stricken out, because if these private concerns who now own 82 percent of the telephones will not go out to these remote areas, it is up to the co-ops and other private individuals who want to go into this business to seek to borrow this money not 6 months after this bill is enacted, but from the date this bill is enacted, and put up the telephone exchanges and take telephones out to these remote areas, the phones that we actually need in the rural sections of our country.

I hope, Mr. Chairman, that the committee will go along on this amendment. As I stated twice previously, this amendment was defeated by only one vote in the committee. It was brought up and no one knew about the amendment until it was read. The bill was read and we had no consideration of it whatsoever by way of debate. In all fairness, I think after we have thought about it, and I feel that the chairman, after he has thought about it, will not personally disagree with this amendment; that he will realize that it is a good amendment to strike this section out. I am not going to put him on the spot by asking him to make the statement that he thinks it is a good amendment, but this amendment was offered in all sincerity in lieu of the first bill as a compromise between the American Telephone & Telegraph Co. and the other extreme. I still say it is class legislation, and class legislation is strictly unconstitutional. I hope the committee will agree to this amendment.

Mr. PHILLIPS of Tennessee. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PHILLIPS of Tennessee. Mr. Chairman, I am supporting the rural telephone bill, which is an amendment to the Rural Electrification Act, and I am voting for it because I believe it is in the national interest, and will promote the general welfare of the people of this country.

I believe that one of the greatest services that has been rendered the rural people of this country in recent years was the passage of the Rural Electrification Act. I believe in the private-enterprise system of America. There is nothing in the proposed legislation that will in any way interfere with the continued development of private industry. The Bell Telephone Co., along with other telephone companies, has neglected the rural districts of this country. Our farm population is entitled to telephone service.

The proponents of this bill do not advocate the construction of parallel lines, so as to destroy private investments of individual citizens who are already engaged in the telephone business. This bill if properly administered and placed in effect will guarantee adequate telephone service and the improvement and expansion of existing telephone facilities, and the construction and operation of additional facilities so that the telephone service will be made available to the widest practicable number of rural users of telephones.

Reliable information shows that the United States as a whole has actually lost rural telephones, and that the number has decreased since 1920. In 1920, according to statistics, 38 percent of the rural homes of America were supplied with some form of rural telephone service. In 1945, which is the latest figure, it appears that only 31 percent of the rural homes have telephones. It is estimated that almost two times as many rural homes have electricity as there are rural telephones. There is much to be done in the field of rural electrification, as well as in the continued development of our telephone service.

Electric lights and proper communications are beneficial to the people of this country. For example, in my own State of Tennessee, out of a total of 234,431 farms, 36,365 had rural telephones, or there were 198,066 farms without telephone service. The percentage of farms with telephones in 1920 in the State of Tennessee was approximately 22.5. The percentage in the 1945 census had fallen to 15.5. I use these figures for the purpose of showing the great need for expansion of telephone facilities into the remote areas throughout the State of Tennessee, and a similar condition prevails in many other States.

The farm in this country has become both a place of business and a home. The telephone is needed so that the farmer can transact his business. It will aid the farmer in meeting emergencies. He may need the telephone to call a doctor, as well as many other good reasons for this much-needed service.

The bill under discussion authorizes and empowers the Administrator of Rural Electrification to make loans with an interest rate of 2 percent for the purpose of financing, improving, and expanding telephone lines anywhere that a need is established for such service. Independent telephone companies—and there are many thousands in this country—will be permitted to take advantage of the loan provisions so as to expand into areas where the service is needed. Many telephone companies have neglected to expand into the rural areas, and have adopted the policy of developing the most profitable areas, including towns and cities, and have deprived millions of people of the advantage of telephone service which will adequately meet the needs of all of the people.

Mr. POAGE. Mr. Chairman, the gentleman from Tennessee suggested that this 6 months' period was not in the original bill; that is true. In all frankness, I did not put it in, but after it was suggested that it would be desirable to put it in for 60 days—the telephone companies asked for 60 days—I felt, and I suggested, that we should make it at least 6 months, not for the purpose of giving the American Telephone & Telegraph Co. any special advantages, but because there are 53,000 little telephone companies over the United States. I think in all fairness we want this bill to make every reasonable provision to enable those people who are now giving telephone service to improve their own service if they can.

This is not a vindictive bill; it is not a bill to destroy anybody; this is a bill to enable those people who are giving telephone service but who have not the finances to provide the type of service they would like to provide; to enable them to have the means of making those extensions and improvements. We feel we should give them this special period to aid them in providing rural telephone service, to extend telephone service where it is needed. I feel that in all fairness we should retain the provision of the bill that gives to the existing operators, and there are 53,000 little operators, but just one American Telephone & Telegraph Co.—and they will not borrow any of this money because they have repeatedly said they would not. They make their money by financing their subsidiaries.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GRANGER. The gentleman from Tennessee made the statement that this provision would result in the money not being spent in the real extension of telephone service.

Mr. POAGE. They cannot borrow it for any other purpose.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. SUTTON. The bill provides for improvements as well as construction.

Mr. POAGE. If you improve the service you certainly provide telephone service.

Mr. SUTTON. Improvement and extension.

Mr. POAGE. And extension. That means getting telephones to the rural places where people need it and where we want them to have it. We want lines extended to farms that have no phones and we want the services improved for farms that now depend on whoop-and-holler service over barb wire fences.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I notice that the sentence which immediately follows the clause proposed to be stricken reads as follows:

The Administrator in making such loans shall, insofar as possible, obtain assurance that the telephone service to be furnished or improved thereby will be made available to the widest practicable number of rural users.

Mr. POAGE. That is right. We are trying to get what we call area coverage in the REA. You know what we mean by area coverage. We are trying to see that the telephone service reaches all the rural people. It would be a big mistake to adopt the pending amendment; therefore I hope the committee will vote it down.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Tennessee.

Mr. SUTTON. May I call attention to this language "for the purpose of financing or refinancing the improvement, expansion, construction, acquisition, and operation of telephone lines, facilities, or systems to furnish and improve telephone service in rural areas."

Mr. POAGE. That is right.

Mr. SUTTON. It is not only for the construction of new lines.

Mr. POAGE. It is to provide needed service whether it involves either extension or improvement. It is just as important that you have a telephone line you can hear over as to have some kind of an ornament in your living room. We are not interested in putting some furniture in your house; we want to put something in there that you can talk over and we believe this bill will achieve that object.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Pennsylvania.

Mr. FULTON. When you put in a provision that simply has the basis of distinction between two classes of people, that they are in business at the present time or not, is that not a provision which is against the Constitution of the United States and will this not be knocked out anyhow?

Mr. POAGE. I do not hold myself out as a constitutional lawyer, but I would not think it is a violation of the Constitution of the United States. I think it is a very reasonable classification and a very fair classification. I am not going to argue with the gentleman about constitutionality, but I do know it is a practicable, a fair, and a reasonable proposition and I think the courts will sustain it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WIER. Mr. Chairman, I move to strike out the last word to make one observation in reference to this particular amendment.

Mr. Chairman, I am going to support the amendment offered by the gentleman from Tennessee because it is my belief that what we are doing is offering a subsidy to the Bell Telephone Co. that is not necessary for the telephone company. If the Bell Telephone Co. finds the opportunity is necessary and the need is there the Bell Telephone Co. of this Nation has sufficient funds and sufficient machinery to do the job which is necessary without offering them this subsidy. I think this is really offering a subsidy.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from North Carolina.

Mr. COOLEY. We feel that the Bell Telephone Co. does not need the money and probably will not apply for the money. But what about these 53,000 little companies that are struggling to exist in competition with the powerful Bell Telephone Co.? What we have in mind is to help the little rural telephone company that needs a little financial assistance to rebuild or to rehabilitate their lines in order to give better service. We give them 6 months within which to apply for a loan and they must obtain the loan for the specific purpose of rendering a better service. If we do not have this provision in here the little companies that are now struggling might be put out of business by newly created cooperative associations. That is the very purpose it was put in here; namely, to protect the little rural company. I do not think we need to worry about the big telephone companies of America running in to borrow this money.

Mr. WIER. Is it not true when these telephone companies came here to protect their interest, protect their investments and protect their field, all that they asked in the establishment of the REA telephone system was that you would not go into their field and become competitors? Is not that what they asked for?

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Tennessee.

Mr. SUTTON. How many of those 53,000 companies are controlled by the Bell Telephone Co.?

Mr. WIER. The Chairman will have to answer that.

Mr. COOLEY. I do not know that I clearly understood the question because of the confusion nearby. What was the question?

Mr. WIER. The gentleman from Tennessee [Mr. SUTTON] asked the question. I did not ask the question.

Mr. SUTTON. How many of those 53,000 companies are controlled by the Bell Telephone Co.?

Mr. COOLEY. I do not know that any of the 53,000 companies referred to by the gentleman from Texas [Mr. POAGE] are controlled by the Bell Telephone Co.

Mr. WIER. My answer is that I have no objection to offering assistance to those rural companies, whether they be private, stock, or mutual, but I do want

to close the door to the Bell Telephone Co. grabbing up this subsidy.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I might inform the gentleman that in Minnesota there are 2,100 small companies, 1,900 of which are small cooperative farm companies and, of course, they are not controlled, any of them, by the Bell Telephone Co.

Mr. WIER. They are controlled to this extent, that the Bell Telephone Co. controls their outlets.

Mr. AUGUST H. ANDRESEN. Well, on long-distance calls.

Mr. WIER. And they could not survive without that service.

Mr. AUGUST H. ANDRESEN. That is true all over the United States, for every company.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from Tennessee.

Mr. SUTTON. Is it not true that in every State you have a State law providing that priority be given to existing companies, and also do you not have priority of purpose in the preceding section of this bill whereby the existing companies are protected, more so, and you do not even need this section in the bill in the first place, because you already have given that priority to existing companies, and this cuts off anybody else for 6 months?

Mr. WIER. That is my opinion.

Mr. SUTTON. It should be stated that it actually gives the Southern Bell and the Bell Telephone companies and the American Telephone & Telegraph Co. a subsidy of this money that we have in the REA.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall need but half a minute. Two comments I would like to make: One is that any rural telephone company needs to have good outlets if they are to give efficient telephone service, long distance as well as local calls. The other point I would like to stress is that there is no sentence in the bill which requires the administrator to make any loans to anybody. He may be limited in his reception of applications for 6 months, but he does not have to loan a dime. If you think the administrator of the REA is going to use up all the money and give it to some big telephone trust in 6 months, you have a different conception of him than I have.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Kansas.

Mr. HOPE. Does not the gentleman think it is quite remarkable that the Bell Telephone Co. expects to get some of this money and that they are carrying on an active fight against the bill at this time?

Mr. CASE of South Dakota. That speaks for itself.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Texas.

Mr. POAGE. Might it not be an indication that the bill is about at the right point when we take into consideration the fact that yesterday Members criticized the bill because it did not extend this period for a longer time, and suggested it should be 18 months or 2 years? Now, on the other side there are those who criticize it for extending it 6 months. Might this not be a happy solution?

Mr. CASE of South Dakota. I think the bill is now well balanced. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. SUTTON].

The question was taken; and on a division (demanded by Mr. SUTTON) there were—ayes 19, noes 120.

So the amendment was rejected.

Mr. McMILLAN of South Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McMILLAN of South Carolina: On page 3, line 22, after the word "areas:", insert the following: "Provided, however, That no loans are made which would result in the duplication of lines or services in an area, except where existing telephone systems in that area are unable or unwilling to provide service within a reasonable period of time."

Mr. McMILLAN of South Carolina. Mr. Chairman, I voted for this bill in committee. I fully realize the need for rural telephone service in this country. Having been born and reared on a farm, I know it is a necessity and not a luxury to have a telephone on the farm.

We have a good bill before us, but I think it can be improved by adding a few amendments. I do not think there is any harm whatever in adding a few safeguards to be certain that private industry in this country is fully protected.

We should spell out in this bill just what we mean by duplication of lines and service. Since coming to Congress I have had many complaints from my constituents that we give the departments in Washington too many blank checks, and that we should spell out what we mean when laws are enacted. I think there is nothing to lose by adopting my amendment telling the Administrator that we do not care to have two telephone systems in the same community fighting for the right to install a telephone in a man's house. We do not need to waste the taxpayers' money in placing duplicate lines to the same house.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I understand, the gentleman's amendment provides that the Administrator shall make a determination that existing companies are either unwilling or unable to furnish the service, and if he finds that, then he can go head and permit the REA or somebody else to get the money and put in the service.

Mr. McMILLAN of South Carolina. The gentleman is correct. It also means that if a man has a telephone and does not care for the rural-telephone people

to come in with another telephone to his house in competition, maybe at a little lower cost, that will not happen.

Mr. AUGUST H. ANDRESEN. The sole purpose of the gentleman's amendment is to prevent duplication of systems of telephones where they already exist, in order to protect the money that the Government is putting into this to the REA, and also protect existing facilities.

Mr. McMILLAN of South Carolina. Yes, sir. The reason I am voting for this bill is because I want people who do not have telephone service to get that service.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. ALBERT. Does not the gentleman believe that the matters about which he expresses concern are taken care of by the Hope amendment?

Mr. McMILLAN of South Carolina. It is possible, but I think it should be spelled out and let the Administrator of this act know just what we mean.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman's amendment will not interfere in any manner with the Hope amendment, will it?

Mr. McMILLAN of South Carolina. It will not interfere with the Hope amendment.

Mr. AUGUST H. ANDRESEN. It strengthens it.

Mr. McMILLAN of South Carolina. Yes; I think it will add to it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN of South Carolina. I yield.

Mr. GROSS. Does not the Hope amendment provide for the question of duplication?

Mr. McMILLAN of South Carolina. It does. It leaves it up to the Administrator to say exactly what duplication is.

Mr. GROSS. What the gentleman does by his amendment is to set up an area basis, is that correct?

Mr. McMILLAN of South Carolina. That is right.

Mr. GROSS. And the gentleman also brings in the question of what is a reasonable length of time, is that true?

Mr. McMILLAN of South Carolina. The main thing my amendment does is to prevent duplication of telephone service in the same house.

Mr. GROSS. That is already covered in the Hope amendment, is it not?

Mr. McMILLAN of South Carolina. I do not think so. The Hope amendment helps, but this will add to it. It is along the same line and adds to it and strengthens it.

Mr. GROSS. What is the gentleman's definition of an area for the purpose of telephone service?

Mr. McMILLAN of South Carolina. If a private company has a telephone line in a small community and was trying to furnish service there in that immediate community, I do not think the REA should step in to try to give telephone

service to that community and build duplicating lines.

Mr. GROSS. That is what you consider to be an area, is that right?

Mr. McMILLAN of South Carolina. That is right.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. COOLEY. Mr. Chairman, I arise in opposition to the amendment.

Mr. Chairman, this amendment is even worse than the amendment offered by the gentleman from Arkansas. I desire to direct your attention again to the language of the amendment which reads as follows:

Provided, however, That no loans are made which would result in the duplication of lines or service in an area except where existing telephone systems in that area are unable or unwilling to provide service within a reasonable period of time.

What is meant by "an area"? Who is to determine what is meant by "an area"? Who would be charged with the responsibility of making the necessary determinations with regard to the ability or the willingness of existing companies to provide service? Who would determine what is "a reasonable period of time"? Would all of these determinations be made by utility commissioners or would such determinations be made by the Administrator? The author of the amendment stated that he is trying to "spell out" the powers and authorities herein granted. It would be difficult to conceive of more ambiguous language than that which is contained in the gentleman's amendment.

Mr. McMILLAN of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes, of course; I yield to the gentleman.

Mr. McMILLAN of South Carolina. Has not the gentleman experienced some difficulty with the REA Director, so far as duplication of services is concerned by the REA?

Mr. COOLEY. I agree with my friend, the gentleman from South Carolina. I do not want to see the REA or the rural telephone authority duplicating adequate services in any area of the country. I feel that the Hope amendment which charges the Administrator with the responsibility of making a finding to the effect that the money will not be used to duplicate existing adequate facilities provides a degree of protection for the telephone companies that is not now enjoyed even by the power company. I know what the gentleman from South Carolina has in mind, and in such instances had the Administrator been charged with the responsibilities placed upon him by the Hope amendment the situation might have been otherwise.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. Would it not become necessary under the terms of this amendment in deciding whether an operator was willing to make an extension to employ some kind of mind reader, or a person who could gaze into a crystal ball, or read tea leaves, to find out what was the will of the operator and what was in the mind of the operator?

Mr. COOLEY. I think the gentleman is right. I do not question the sincerity of my good friend from South Carolina, but he left the impression that if this amendment were adopted only the Administrator would determine the area, and would make these other very important and necessary determinations. But the fact is, if this amendment is adopted, the courts of the country would determine. The courts would be called upon to make impossible determinations, because, as pointed out by the gentleman from Texas [Mr. POAGE] it involves the workings of the human mind to determine whether or not the officials of private companies are willing and ready to provide the service. It does not even say they have to provide adequate service.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. AUGUST H. ANDRESEN. In the Hope amendment, of course it leaves it to the Administrator to make the determination.

Mr. COOLEY. That is right.

Mr. AUGUST H. ANDRESEN. Will the gentleman state that it is crystal clear that the REA shall not go in and build duplicate facilities where a local company is willing and able to provide the service?

Mr. COOLEY. Yes; I think it is clear that REA shall not make loans to build duplicating facilities where a local company is willing and able to provide adequate service. This is why we have given private local companies now in operation the exclusive right for the first 6 months to apply for loans. If the Hope amendment is agreed to, I have every reason to believe that the Administrator will administer the program in a manner which will be compatible with the letter and spirit of the law.

Mr. AUGUST H. ANDRESEN. Is it not the intention of this bill that the REA should provide money to build duplicating systems?

Mr. COOLEY. Certainly it is not. This amendment offered by the gentleman from Kansas [Mr. HOPE] to the committee amendment will clearly indicate that Congress does not intend that this money shall be used to duplicate existing facilities.

Mr. AUGUST H. ANDRESEN. I know that when my distinguished chairman speaks, that is the intent of Congress on this particular question.

Mr. COOLEY. It is perfectly clear. I do hope that this amendment will be defeated, because I think that to all intents and purposes it would involve this whole authority in a multiplicity of lawsuits and in endless litigation.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from South Carolina [Mr. McMILLAN].

The question was taken; and on a division (demanded by Mr. McMILLAN of South Carolina) there were—ayes 34, noes 92.

So the amendment was rejected.

Mr. ALLEN of Illinois. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ALLEN of Illinois:

On page 3, line 17, after the word "loans", insert "at not less than 2½ percent."
And on page 3, line 18, strike out the words "terms and."

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes in support of his amendment.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. PACE. Would the effect of the gentleman's amendment be to raise the rate of REA loans as well as telephone loans to 2½ percent?

Mr. ALLEN of Illinois. No; It has no jurisdiction.

Mr. PACE. The bill under consideration is an amendment to the REA act, and I am afraid that might be the effect of the amendment; but the gentleman did not intend that?

Mr. ALLEN of Illinois. I do not intend that to happen.

Mr. Chairman, I started out being opposed to the bill and I am still opposed to it; but I do want to congratulate the Committee on Agriculture for providing that there shall be no competition. We have those provisions and their assurance that there will not be any competition or any duplication. I am also very happy that the bill still provides that no loans shall be made by the Administrator for 6 months except to existing companies.

The reason I am still opposed to this bill is, as I mentioned yesterday, this Nation owes \$252,000,000,000, which is more than the total assessed valuation of all the property west of the Mississippi River. At the present time, each month, we are gradually increasing our expenditures over our declining receipts; for instance, last month and the month before we spent \$300,000,000 more than we received, and our revenue is going down. No one has been able to say what the actual cost of the bill will be and the Director of the Budget has not given his approval. We know that we owe a great amount of money; and, I repeat, we are going \$300,000,000 deeper into debt each month. So I am still opposed to this bill.

Frankly, I would rather this amendment raised the interest rate to 4 percent, because the independent companies now are paying the RFC 4 percent on identical 10-year loans. Having talked with my friend, the gentleman from Texas [Mr. PATMAN], and the gentleman from Michigan [Mr. CRAWFORD], it is my understanding that on long-term money the Government is paying a trifle less than 2.2 percent interest. This being so, I cannot conceive why anyone who wants to borrow would not be willing to pay 2.5 percent. That would take care of the over-all interest rate plus administration.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. BROWN of Ohio. I think the purpose the gentleman has expressed in his address is a remarkable one. I note that he quoted the cost of money to the Gov-

ernment at this time at less than 2.2 percent, or about 2.18. Is not that the cost to the Government over all, including the cost of short-term money at about .75 percent and including the cost of money borrowed at 2.75, and some that, I think it was stated, we paid 2.9 on? In other words, that is an average figure?

Mr. ALLEN of Illinois. That is correct; the over-all picture is 2.182 at the present time.

Mr. BROWN of Ohio. And this is long-term money; we are making these loans for long periods of time; is not that correct?

Mr. ALLEN of Illinois. That is correct. I may also add that I personally favor 4 percent, but I have every reason to believe that such a rate would not be accepted.

Mr. SUTTON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. ALLEN].

Mr. Chairman, this same thing came up in committee. It is the same old story since 1933. It is an effort to tear down TVA and REA, to which organizations we are still lending money. We have lent over \$900,000,000 to REA at this present rate of interest.

Mr. Chairman, as I stated, this is an effort of the gentleman to destroy the REA system of America. It is part of the same effort that has been made ever since Franklin Roosevelt came to the White House. I hope the committee will see this concerted effort to destroy the REA system, I hope the committee will observe that this is the means of getting the camel's nose under the tent and hope that the committee will defeat the amendment.

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Illinois [Mr. ALLEN].

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio to the amendment offered by Mr. ALLEN of Illinois: Strike out "2½" and insert in lieu thereof "3."

Mr. BROWN of Ohio. Mr. Chairman, the amendment to the amendment which I have offered simply changes the rate of interest to be charged, as provided in the Allen amendment, from 2½ to 3 percent. The Federal money which would be loaned for the purpose of financing rural telephone services to the people under this bill would be loaned on a long-term basis. The rate which the gentleman from Illinois [Mr. ALLEN], quoted to you as to the interest rate the Government must pay on the money it borrows was, of course, the average interest rate paid on all types of, or on all bonds and securities issued by the Federal Government, including short-term Federal borrowing, which runs about three-quarters of 1 percent. Actually on long-range borrowings, or long-time bonds, such as would be necessary to finance this program, the Federal Government is paying an average of about 2.87 percent interest, and on some of the bonds issued by the Government, E bonds, such as mentioned a moment ago in the colloquy between the gentleman from Illinois [Mr. ALLEN], and myself, it pays 2.9 percent interest.

Mr. Chairman, it seems to me that while this bill may have an admirable objective, certainly none of us can say that we should help this project at an expense to the taxpayer. Surely if we extend the credit of the United States for the benefit of these special organizations to engage in the telephone business, and to render this service to a relatively few citizens, the Government itself should have a loss on its loaning operation. Certainly these loans should be self-supporting and self-sustaining. In my opinion, it would not be a bad proposition, nor would it be entirely illegal or morally wrong, if the Government should make a very slight profit on the deal. But I am not asking for any profit to the Government. I am just suggesting, out of fairness to the taxpayers of the United States of America, the people who pay the taxes and have to support this program, while they will not get the benefit of the telephones that will be provided under this legislation, that we should not lend their hard-earned money at a financial loss to them. Instead, this endeavor should be self-supporting. It is only fair to everyone involved, the telephone systems to be established, the cooperatives which will operate under this law, the Federal Treasury, and the taxpayers, that the Government should come out whole on the proposition. I am sure 3 percent is the fair and the proximate interest rate that should apply. I am sure it is if you will check into how much the Government actually pays as interest for the money it borrows on a long-time basis, which we will, in turn, lend to these cooperatives for rural telephone service under this proposed law. Certainly, we should not subsidize this particular activity any more than we should subsidize any other private activity. Of course, the privately owned telephone systems which now have to borrow money from the RFC are paying $3\frac{1}{2}$ to 4 percent for the funds they get. So, it would only be fair, in my opinion, to make the interest rate provided in this bill 3 percent so that we can justify the action taken here, not only to the people interested in getting telephone service but to the people who have to pay for it through their contribution to the Federal Treasury in the form of taxes. Therefore, I offer this amendment to the amendment. I hope it will be adopted, as I feel I cannot vote for this measure unless it is so amended as to properly protect the Treasury and the taxpayers of the United States.

Mr. WHITE of Idaho. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is an old saying that competition is the life of trade. It seems to me that the membership here today is pretty tender with the monopoly of the American Telephone & Telegraph Co. They seem to be afraid the company will have some competition. I think if there is any organization in these United States that ought to have a little competition from some quarter, it is this telephone octopus, this Telephone Trust. If you just knew what was going on right here in Washington, you would be surprised. I want to read you some figures that may not be of very much interest to you, but I am quite sure they will be

startling to the people of this country. All the telephone company does is rent the Government the dead equipment. The Congress pays the operators and buys the electric energy. Right on your own desk, where you pick up and use a telephone, do you know that you are paying a monthly rental on every instrument that is used in every office of the House and the Senate and in the Capitol besides a charge of from 3 to 5 cents for every telephone call that goes off the Hill to a department? Do you know that you are paying rental on every little loop of wire? Do you know that you are paying rental on every little switch or gadget in your office? Do you know how much the Government is paying for the telephone service here on what is called Capitol Hill? Let me tell you what you are paying. I thought when I met these few kids with little wire pliers and a roll of wire going up the Hill, that the work they did was being paid for by the telephone company. I knew when I saw this big switchboard down here under this building and saw all these 85 girls operating the switchboard that we were paying the girls, but I did not know that we were paying the rental on their switchboard. The telephone company does not even provide the electricity to energize the lines that flow through the Capitol. You are billed not by the telephone company but by the Potomac Electric Power Co. for the electricity that energizes those lines. The only expense that I can find the telephone company has on this Hill is the two or three young repairmen that come up here and make telephone changes. And, I thought they did that at the telephone company's expense, but the Government is billed with every addition and change they make.

The rentals we are paying monthly for this equipment would have bought and paid for all the telephone equipment being used in the Capitol, Senate, and House many times over.

Let me tell you what you paid in the month of May. In that month you paid for the rental of telephone equipment \$6,848.40. In the House alone, for the people who work down there on the switchboard, the pay roll was \$10,257.24. That is what the House paid. Now, what did the Senate pay? The Senate paid for the rental of this board \$4,870.55. The Senate paid a pay roll for operators of \$7,437.43. You pay the Potomac Electric Power Co. to put the juice in the system \$10 a month, and you are getting a bill on that every month. Think of it—a monthly rental paid to the Telephone Co. of \$6,848.40 for the equipment used by the House and \$4,870.43 for the equipment used by the Senate. Besides the Government pays the operator \$17,694.67 and pays, at the same time, for the electric energy besides paying for every call that goes to a department.

I am going to ask either in the House or here in the committee, by unanimous consent, that the telephone bill issued to the Senate and the House for the month of May in detail may be included in the RECORD so that the people of these United States can see just what is going on right here in the Capitol of the United States and on the desk of every Congressman and every Senator.

If there is any class of people in this country that needs a little protection it is these people who have gone out and made this huge investment in setting REA poles and stringing power lines over the country; now they can have telephones if we give them the simple privilege of stringing telephone wires, as the poles are already set, so that when somebody is sick at home or when some of the machinery breaks down they can get in quick touch with the doctor in town or the supplies in the market.

Let me tell you the policy out where I live. I have a home out there, and they have just a little toll station in my town, just one place. If you want to make a long-distance call you have to go into a store and use the coin-in-the-slot phone there. So for my accommodation I built my own telephone line—because I was in the pole business and know how to do it—and strung the wires and ran a line up to this toll station. I asked the company to please let me put in a switch, so that when somebody called me on Government business there would not be a delay and messenger charge. They told me that if I would guarantee them \$5 a month they would give me that service, otherwise not. There is no exchange there. The only person I could talk to would be myself. Every telephone call would have a long-distance toll. But I had to come across with \$5. So you see how that thing is handled. If there is a class of people that should be protected there, it is the people that put in these REA systems and live in the sparsely settled parts of the country.

I am for this bill, and I hope the telephone company and this monopoly will not have too many supporters on the floor of the House.

Every professional man, every lawyer, every doctor in this country that has business enough to use the telephone at all, I will bet his bill amounts to a minimum of \$30 a month or a dollar a day. When he pays the monthly charge, and then adds the long-distance charges. If a man has any business at all, he will pay a dollar a day or \$30 a month.

So we find that right here in our congressional offices on Capitol Hill the Government itself pays the telephone operators on a monthly basis; it paid these operators \$17,694.67 for the month of May to operate the system, and instead of owning the telephone equipment we are paying the telephone company exorbitant rental for the use of this telephone equipment. The Government paid \$11,718.95 rental for the month of May and this does not include telephone tolls or long-distance calls.

Some day the people of these United States are going to get tired of being mulched by this monopoly and they will take the telephone system and put it in the post office where it belongs.

Mr. PACE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think it should be understood that in our vote on this amendment we are quite likely determining the success or failure of the entire undertaking. That is for this reason, Mr. Chairman. We are not lending money here to go to a community and set up a telephone system. The companies have

already covered that area. They have even gone into the rural areas, in the rural communities, where there are a number of people wanting telephones. Those have already been established by the private telephone companies. Under other provisions of the bill, none of this fund can be used to go back into that same community. There can be no duplication of adequate service under the terms of this bill. Therefore, the funds used here are to go out into the sparsely settled sections, to go out on the fringes, to go to those parts of the farm areas where the private telephone companies have not found it profitable to go, in order that the man who lives a good way from town or out in the woods, if you please, may also have the opportunity to have a rural telephone, that he, too, may have the facilities for calling a doctor to his children or to use for other emergency needs.

Therefore, Mr. Chairman, it is going to take cheap money over a long period of years for these enterprises to pay out. There is no need for us now to do something which will defeat the program at the outset. If they must pay $2\frac{1}{2}$ or 3 or more percent for the money, it cannot be a successful financial enterprise. That is exactly the reason, Mr. Chairman, that this committee, with the approval of the House, reduced the interest rate on rural electrification loans to 2 percent. There was no other justification for it. There was no other reason offered to the House, but the fact that the power companies had already taken over the good paying areas and it was necessary for the farmers themselves to get together and form a cooperative and try to take electric power to their sparsely settled farm areas.

We have done that. Then I think definitely, Mr. Chairman, the House would be taking a step backward if they should now, in this program, when the expense is just as much, the lines cost just as much, and the poles cost just as much and the construction and repairmen's salary or wage is just as much and the original installation is just as much as the REA line, to provide that they must pay a higher rate.

I submit, Mr. Chairman, if we are going to authorize the program, then in the name of common sense, let us authorize it under terms and conditions that we can hold the borrowers responsible for a successful business undertaking.

If you raise this rate, then they can come and say, "We have not been able to pay our loan because the return on the investment was not adequate to pay the interest and the principal."

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask a couple of questions, if I may, of the chairman of the committee. I listened with some interest to my distinguished friend from Idaho, who berated the American Telephone Co. and many other similar corporations for their alleged monopolistic actions. I am not going to get into an argument with him about that. I was intrigued by his statement as to how that grasping giant monopoly was wringing dollars out of the poor people of this country.

I want to ask this question of the chairman of the committee: "Is it not true that any telephone company, whether it be the Wisconsin Telephone Co., the Bell Telephone Co., or the telephone company of Indiana, or Ohio, or any other place, which is in fact furnishing service to rural areas is permitted under the terms of this bill to make an application for a loan to the Administrator to enable them to get 2 percent money to extend lines into the rural areas?"

Mr. COOLEY. That is exactly correct.

Mr. KEEFE. And they have the first preference under the terms of this bill, is that correct?

Mr. COOLEY. Yes, for a period of 6 months.

Mr. KEEFE. So, if this giant monopoly, which has been described so effectively by the gentleman from Idaho, decides that it wants to further extend its monopoly into the rural areas, it can do so by making application for cheap 2 percent money to extend its lines? That is true, is it not?

Mr. COOLEY. That is correct.

Mr. KEEFE. It is the hope, I understand, of the committee that this great monopoly will perhaps do that because if the cooperatives are organized in these outlying rural areas, it will do no good for them to build a telephone line, such as my friend from Idaho described, where he could talk only to himself and they must enter into a contractual relationship with this monopoly in order to furnish the service to the people, is that not true?

Mr. COOLEY. I suppose that is true, but, after all, the public utilities are subject to regulation.

Mr. KEEFE. I am sure they are subject to regulation in my State. We will not have any trouble with it at all, and we never have. But I am speaking of those States where they do not have regulation. The fact of the matter is that if a rural telephone cooperative is organized in a rural area it is quite different from the rural electric cooperative, because the latter buys the power generally from the producer and takes it out to the farm. In this case, if you install a telephone line and a telephone on a farm, it is of absolutely no value, unless you want to talk back and forth to your next-door neighbor or listen in on the party line to see what the neighbors are talking about, unless it is hooked up with the existing telephone system. So, after all, am I not correct in the assumption that this "great monopoly," if it exists, is offered the opportunity, under the terms of this bill, to further extend its monopoly by getting money out of the REA fund at 2 percent interest for thirty-odd years? I am asking the chairman of the committee to answer that question.

Mr. COOLEY. I suppose the gentleman's interpretation of it is correct, but the fact is that we are according to all operating companies, not only the big monopolies that the gentleman has spoken of, but the little rural telephone companies that are now struggling for existence, the right to apply for these loans. We are placing responsibility now, under the Hope amendment, in the

hands of the Administrator, and, as pointed out a few minutes ago, there is no obligation for the Administrator to give these loans to the big companies, to the exclusion of the little companies.

Mr. KEEFE. I think the gentleman is right. I am going to vote for this bill because I think it is a step in the right direction, but I want to point out that those who support the bill as I do are not supporting it upon any such thesis as was advanced by the gentleman from Idaho [Mr. WHITE].

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has expired.

Mr. BROWN of Ohio. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended 3 minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. KEEFE. I am supporting the bill upon the thesis that I understand this is an attempt upon the part of the Congress to encourage, if possible, those companies, big or small, that are already engaged in the furnishing of telephone service, to extend their lines out into the rural areas, to give telephone service to rural people.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. BROWN of Ohio. And, of course, as the gentleman has explained, if these telephone companies can borrow this money at 2 percent, it means, in fact, that the Federal Government and the taxpayers will be subsidizing the telephone company, the privately owned telephone company, by furnishing them money at a less rate of interest than the taxpayers have to pay for the money that they borrow.

Mr. KEEFE. That is absolutely true. I think perhaps that is a necessary situation to encourage the companies that can give the service. What is the use of talking about building a telephone line by a cooperative unless it has a connection with a service that can connect it with the telephones that they want to call? I shall vote for this bill because I believe it will offer an opportunity to the existing companies that are in business to extend their lines and provide rural service that it has not been profitable or feasible to provide heretofore, and will not permit the establishment of competing lines in areas already served adequately.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Yes; I yield.

Mr. WHITE of Idaho. I would remind the gentleman from Wisconsin and the gentleman from Ohio that if they will study the current market reports they will find that they are borrowing money now at around 2 percent, with all their assets and their monopoly. You will find that every one of those bond issues are at a premium. They can get money any time they want it, and get it cheap.

Mr. KEEFE. The gentleman talks about monopolies all the time. He must own some stock in the American Telephone & Telegraph Co. I understand there are several hundred thousand

stockholders in the United States who own that alleged "great monopoly" and own many of these companies that are operating throughout the United States. The communications industry is a natural monopoly and is so recognized. It is very properly subject to strict regulations to protect the public interest.

Now let us not go off on a tangent and talk about monopoly, especially when we are offering that same monopoly and opportunity to borrow Government money for 33 years at 2 percent. Let us see if we cannot get telephones to the people in the rural areas who need them at a fair cost which they will ultimately pay for. That is the purpose of this bill, and that is why I am going to vote for it.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I am opposed to the amendments for several reasons: First, I think that either amendment might imperil the future of REA as we have known it in the past and as it is operating at the present.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. McCORMACK. The interest rate now on rural-electrification loans is 2 percent, is it not?

Mr. COOLEY. That is correct.

Mr. McCORMACK. Why should there be a larger interest rate charged in connection with these loans? Furthermore, if it is done, the tendency will be to increase the interest rate on REA.

Mr. COOLEY. I think the gentleman is entirely correct, and I appreciate that statement coming from the gentleman from Massachusetts, who certainly does not have any co-ops in his district in Boston. That is exactly the situation.

The gentleman from Georgia [Mr. PACE] a moment ago emphasized a very pertinent objection to these amendments when he pointed out the fact that we must offer some inducement; otherwise these lines will not be built. Every argument can be made against these amendments that could be made against them had their authors intended them to be applicable to the REA program. I cannot understand why the telephone cooperatives should be required to pay any interest in excess of that which is now being paid by the REA cooperatives now in existence.

As positive proof of the fact that these telephone companies without inducement will not extend their lines into rural sections I refer to a letter placed in the RECORD yesterday by the gentleman from Texas [Mr. POAGE]. Without attempting to read the letter I will quote its substance, which is that a man in the country applied for a telephone only to be told by the company that they had on file 8,000 applications in the cities and towns and that they would have to take care of the 8,000 applicants before they could give this countryman a telephone. That situation exists throughout this country, but if we can give them some inducement, perhaps they will extend their rural lines and will accord to the country people some consideration. On the other hand, they know that if they fail to do so within 6 months a co-op

can be formed and the money can be obtained and the line built.

Mr. MCSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MCSWEENEY. Does the gentleman feel that we should lend money at a lower rate than the Government has to pay when it borrows money? For instance, new bonds are being issued at 2.9. Does the gentleman think that as a general policy the Government should lend money at less than the Government has to pay to borrow money on a long-time basis?

Mr. COOLEY. Perhaps in the matter of general policy the gentleman is correct, but if these co-ops are going to be required to pay the same interest rate that is now being paid by private companies we know, to begin with, that they will not operate successfully because the private companies have already explored and taken over the most profitable territory. We will not, of course, have any co-ops in cities like Washington and New York or in any of the larger towns; the co-ops will be created in the rural sections, the sparsely settled areas where there are few users and the expense of maintenance and operation will be substantial. This has been the experience of established companies. So if we do not give them some inducement we shall not accomplish our objective. We did give them the inducement in the REA bill and they have accomplished wonders in the rural sections of America.

Mr. MCSWEENEY. Is it not true that governmental groups can borrow money cheaper than any private groups can borrow it? If we lend it to them at the same rate at which we borrow it we are still doing a great favor to these organizations.

Mr. COOLEY. Yes; but why should we not give the same rate to the telephone co-ops which we are giving to the electric co-ops.

Had REA cooperatives been required to pay a higher rate of interest perhaps they never would have made the great progress which they have made. If a higher rate of interest is now required we have no reason to believe that companies now operating would be induced to expand rural lines. Certainly a newly created cooperative could not afford to pay a very high rate of interest for the very simple reason that they will be building facilities in areas which private companies have not found it profitable to enter. Perhaps the reason that private companies have not expanded rural lines is due to the fact that they know that it is more profitable to operate in thickly populated areas than it is in sparsely populated areas. The co-ops which we expect to obtain these loans will, on account of the necessities of the situation, operate in rural areas, many of which are not now receiving any telephone service at all.

Mr. Chairman, the pending amendments should be defeated.

Mr. VURSELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as I understand it, we have now reached the point in this bill where we are considering an amend-

ment offered by the gentleman from Illinois to raise the rate of interest to 3 percent. The suggestion has been made by some that perhaps it should be 2½ percent.

Let us see what we propose to do. As I understand it, the small telephone company and the large telephone company will be able to borrow at the rate of 2 percent. I am in favor of the same courtesy loan being tendered to the small companies and to the big companies alike because I think that will enable the people to get more telephones. When they pay taxes and all of the expenses they go through to furnish the service you get from the existing telephone companies, I see no reason why we should discriminate against them in interest rates.

There are hundreds of thousands of veterans and tenant farmers and other people all over this Nation however, who are struggling to have a home and a roof over their heads. The Government charges them 4 percent or more for the money it lends. On the other hand, you propose under this bill to extend telephone service to the well-to-do and poor alike who live on farms, and you propose to lend them this money at less than you lend money to the veterans who are struggling to get a home. You propose to lend them this money for less than it cost the Government or will cost the Government in the future to secure the money through the sale of bonds to the people.

When a poor man is struggling to build a home and is paying 4 to 5 percent interest, plus taxes and upkeep, I cannot understand why you will provide in a bill like this for hundreds of thousands, maybe millions, of families on the farms who own their own home to be subsidized so far as the interest rate is concerned.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman would not want to be any more liberal with Great Britain and lend them \$3,800,000,000 at the interest rate they got?

Mr. VURSELL. I appreciate the gentleman's inquiry, but I follow the theory in legislating as I do in life, if it was wrong to give Britain money or lend them money, which we know they will never pay back, then two wrongs do not make a right. I think we should have not less than 3 percent. We do not know what the loan market is going to be in the future. It is likely to be higher. It would seem to me this amendment providing for 3 percent should be adopted.

Mr. MCSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Illinois.

Mr. MCSWEENEY. I had an amendment to this bill which would make the interest rate equal to the greatest amount that our Government was paying, which would average somewhat under 3 percent. Does the gentleman not think that it should be the policy of the Government, as I asked the distinguished

chairman of the committee, that we should not loan money for less than the Government has to pay for it?

Mr. VURSELL. I agree with the gentleman.

I am for this legislation for the extension of rural telephone service and I hope the amendment will prevail.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from North Carolina.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 8 minutes, including the time allowed the gentleman from Michigan.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. CRAWFORD. Mr. Chairman, I agree with the gentleman from Ohio [Mr. McSWEENEY] that no citizen is entitled to receive funds on a loan basis below the cost of the production of the credit furnished by the Treasury Department, and I do not care what the purpose is, because when you do that you, by compulsion, force other people to subsidize the operation. Therefore I am going to support the increase in the interest rate on this proposal when we vote on it.

Secondly, as to Members of Congress participating in the civil-service retirement fund provisions, on those funds, which we pay out of our income, the Treasury is paying 4 percent, for instance. We have about \$32,000,000,000 of special issues; those are those I O U's made by the Treasury, somewhat payable to itself, in which these trust funds are invested. You are paying 4 percent on a lot of that money.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. What is the rate of interest on the social-security money that is borrowed by the Federal Government?

Mr. CRAWFORD. We have \$9,000,000,000 worth of Federal old-age and survivors insurance trust funds on which you are paying 2½ percent. Now, that is your series 1950; some of your short-term obligations.

Mr. BROWN of Ohio. What is the rate on the long-term?

Mr. CRAWFORD. On the long-term bonds at the present time the rate is 2½ percent that the Treasury is paying. When I say "long-term" I mean semi, medium long-term, because we have no real long-term bonds outstanding as relates to this proposition.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. McSWEENEY. What are the new opportunity bonds selling for; that is, what rate of interest?

Mr. CRAWFORD. What bonds?

Mr. McSWEENEY. The new opportunity bonds.

Mr. CRAWFORD. Those saving certificates?

Mr. McSWEENEY. Yes.

Mr. CRAWFORD. About 2.9 percent; roughly 3 percent, and the Treasury has to meet interest rates based on the condition of the financial market, and when any one stands up here and says that I am attempting to kill REA, he simply does not state the truth of the matter. What he is attempting to do is subsidize something at great cost to the taxpayers in my district, and that I protest against. Nobody is trying to kill REA here.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from North Carolina.

Mr. COOLEY. How much interest is paid on the Government money that is made available for the building of irrigation dams?

Mr. CRAWFORD. What is the gentleman talking about, the reimbursable portion or the portion that is not reimbursable?

Mr. COOLEY. The portion that is not reimbursable.

Mr. CRAWFORD. No interest is paid on that. That is for our national defense.

Mr. COOLEY. For national defense? On that basis the gentleman justifies the use of Federal funds without any interest charge at all?

Mr. CRAWFORD. When we build a battleship, nobody pays interest on that except as it is reflected in the general Federal structure.

Mr. COOLEY. I am not talking about a battleship, I am talking about irrigation dams.

Mr. CRAWFORD. The same thing applies to flood control. I do not see where that has anything to do with this. This is a clean-cut case on the question raised by the gentleman from Ohio [Mr. McSWEENEY]. Do you want to provide funds below the cost of production to the Treasury? If you do, of course you are for 1½ or 2 percent, but putting this rate up to 2½ percent will not destroy REA, and it will give many people more confidence in the operation. The big companies like A. T. & T. are not entitled to borrow money from the Treasury below cost of production.

Mr. COOLEY. Then do I correctly understand the gentleman is for the Allen amendment and opposed to the Brown amendment?

Mr. CRAWFORD. I will go along with the Allen amendment at 2½ percent, yes, on the theory that at a later date when the time comes we may have to adjust the rate upward, depending on the condition of the market at the time. You cannot handle a \$250,000,000,000 debt without conditioning the financial markets from day to day.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Chairman, for some time there have been certain individuals that have ridiculed the Bell Telephone System and independent lines for not extending their services. They say they have not extended their lines even though they would have made a reasonable profit.

They say that there is every indication that unless they are forced to take such action they will continue their policy of "skimming the cream" of the telephone business. The point I am making to you who have been condemning them is that by coming in here and offering those same people subsidies to improve and extend their lines you are acknowledging that they could not heretofore have extended them under the profit system but need the proposed subsidies.

Mr. WILSON of Oklahoma. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WILSON of Oklahoma. Mr. Chairman, America has always been a land of opportunity and we as Americans have always prided ourselves on offering to our citizens and to our youth, not equality in the goods of life, but equality of opportunity. I rise today to urge the passage of the rural-telephone bill under consideration because it is a step in the direction of providing the rural people of this country an opportunity to secure a measure of equality and parity of living opportunities along with the rest of the Nation.

One of the most troubling problems we are faced with in farm districts is the recurring problem of migration of thousands of young people from the farms of each such farm district because of dissatisfaction with half primitive and undesirable living conditions. Needless to say this often creates unemployment problems for the city districts that some of our Congressmen represent. The impact on our farms is equally pronounced with a decided trend away from the family-sized farm which has been the American ideal.

My support of H. R. 2960 has not been a step taken lightly or a decision I have made hastily. I have examined this bill critically to see if adequate protection were offered to private investment in the rural-telephone field and to see if it would stifle future opportunity of private concerns in the rural-telephone field. My conclusion is that adequate and fair protective measures are written into the bill. Private companies desiring to improve and expand their rural-telephone services can readily do so if they want to and further can take advantage of the low-interest rates and long-term loans offered by this bill. Further such private telephone companies or concerns under the provisions of this bill would have a 6-month period in which to make their applications for such loans when no one else could apply except those engaged in operation of existing telephone service. As has previously been explained approval of State regulatory bodies must be first obtained prior to approval of loans thus insuring against duplication of facilities.

I need not go into detail on the need for rural telephones. Living in the city as we do we would not think of being without a telephone. The telephone has become so firmly entrenched as a tool of business and a weapon and protector

in emergency we shudder to think of losing ours. None of us would think of having to use our neighbor's telephone all the time no matter how close that neighbor. Farm need is just as great as our own; and particularly the seriousness of farm accidents and emergencies is heightened by distance so that what may be a simple accident may become a most serious one if there is no telephone to bring help.

My farm constituents are some of the most independent and self-reliant people in the United States. They do not want something for nothing. They do need telephones. Less than 25 percent of Oklahoma farms now have telephones and that goes without saying how weak many of the local circuits are and how many obsolete instruments there are. My farm constituents are willing and have been willing to pay reasonable rates in order to get telephone service but they have been unable to get it and unless this bill is passed they cannot look forward to any more adequate telephone service in the foreseeable future. Passage of H. R. 2960 will assure adequate telephone service to the widest possible number of farm families. It is not a matter of giving away anything. It is the matter of a business loan on a business basis with adequate security and assurance of repayment within the stipulated time. This is designed to provide opportunity in truly the traditional American way. Passage of this legislation will help to curtail the annual migration of thousands of American farm youth from our farms. They and their hard-working parents are but seeking equality of opportunity and ask no better break in life than that. Let us see that America remains the land of equality of opportunity. Let us vote for H. R. 2960.

The CHAIRMAN. The Chair recognizes the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I agree with the gentleman from Georgia that the necessity for this low-interest rate is that in many parts of the country the best paying fields have been taken and it is impossible to pay a high rate of interest and get the service. That is especially true in North and South Dakota and other States of the Union.

Much has been said about the fact that the Federal Government pays 2.9 percent for its money. The truth is that the Federal Government gives this money away for nothing to the banks, for 27 cents per thousand dollars, and they can keep it as long as they want to, and then the Government borrows its own money back and pays interest on it. The time has come for us to look into that subsidization of a certain class of the people of this Nation and not give some consideration to the people who really need it.

May I also call your attention to the fact that we have spent billions of dollars on river and harbor improvements. No part of this money is repaid to say nothing about interest. This too is the taxpayers' money, and the farmers who ask for this telephone service also pay taxes.

Is it not queer that when the bills for river and harbor improvements are up,

that the very Members who now object to 2-percent interest and are trying to increase it to 2½ and 3 percent are silent? In other words, they are perfectly willing to accept the taxpayers' money for their own convenience and benefit, but see Uncle Sam go in the red when we ask for 2-percent loans for the farmers.

We who live in the sparsely settled States do not object to river and harbor improvements. However, we do feel that it comes with very, very poor grace from those who get their river and harbor improvements free, at the expense of our taxpayers, to object so strenuously when we simply ask for a loan with interest.

I will also say that as far as the rate of interest paid by the GI is concerned, I am in favor of reducing that rate, so that the GI will and can get a home.

Mr. MCSWEENEY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MCSWEENEY. Mr. Chairman, I was in the Committee on Rules and thereby unavoidably detained from the floor of the House at the point at which I wanted to introduce an amendment to the Poage bill. My amendment would have been on page three of this bill:

Add subsection (g) to read as follows:

"Section 4 of the Rural Electrification Act of 1936 is amended by striking out the word 'average' and inserting in lieu thereof the word 'highest' so as to read as follows: 'and shall bear interest at the rate equal to the highest rate of interest.'"

Mr. Chairman, I have introduced this amendment because I am opposed definitely to our Government lending money to any individual citizen, to any group of citizens, or to any corporation or partnership, at a lower rate of interest than the highest rate which our Government has to pay for this money. The Government, because of its enormous size and financial structure, can borrow money over a long period at a lower rate than any other individual or group of citizens. Is it not logical, therefore, that since this money is obtained from our citizenry at the lowest possible rate that we, in turn, should not be asked to lend it at a still lower rate?

As I said before, in my absence a similar amendment was introduced by the gentleman from Illinois [Mr. ALLEN] that the words "two percent" be stricken out and the words "two and one-half percent" be inserted in lieu thereof. This amendment was further amended by the gentleman from Ohio [Mr. BROWN] whose amendment asked that "two and one-half percent" be stricken out and that "three percent" be inserted in lieu thereof. I voted for the amendment to the amendment and also the amendment. Since both of these amendments failed, I am going to vote against the bill.

I had made a statement in the Rules Committee in the presence of the gentleman from Texas [Mr. POAGE], the author of the bill, and in the presence of the gentleman from North Carolina [Mr.

COOLEY], chairman of the Committee on Agriculture, that I would not vote the bill out of committee unless I had the assurance that the gentleman from Texas [Mr. POAGE], would not oppose at least 2½ percent as the interest rate for these loans under the bill. With this assurance, I voted to release the bill from committee. However, on the floor, there must have been a misunderstanding because no announcement was made by any member of the committee that 2½ percent would be acceptable. These two amendments were lost, that is, the amendment to the amendment introduced by the gentleman from Ohio [Mr. BROWN], for 3 percent, and the amendment by the gentleman from Illinois [Mr. ALLEN], for 2½ percent.

I do not want it to appear that I am obstructing legislation and I do not wish it to appear that I am going along with the opposition, but I do reserve the right to defend my own concept of what I think is just and equitable. I cannot vote to make available money at 2 percent for establishment of telephones in rural sections when those same farmers, who might get the telephones, have to pay 4 percent for the money that they borrow from the Government for the purchase or improvement of their farm properties. I cannot vote to lend money to private corporations or other groups at 2 percent while my comrades are paying 4 percent on their homes through the Federal Housing Administration.

I want to repeat that I do not want to obstruct helpful legislation but in these trying times, we must be careful about the expenditure of public funds and we must be careful not to harm groups which have already invested their money in private operations.

With the loss of these two amendments, I am constrained to vote against the bill.

Mr. JUDD. Mr. Chairman, I ask unanimous consent that the Brown amendment be again read for the information of the Committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk again read the Brown amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BROWN] to the amendment offered by the gentleman from Illinois [Mr. ALLEN].

The question was taken; and on a division (demanded by Mr. BROWN of Ohio) there were—ayes 71, noes 107.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. ALLEN].

The question was taken; and on a division (demanded by Mr. ALLEN of Illinois) there were—ayes 81, noes 118.

Mr. ALLEN of Illinois. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. COOLEY and Mr. ALLEN of Illinois to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 104, noes 137.

So the amendment was rejected.

Mr. CARNAHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, H. R. 2960 authorizes the Rural Electrification Administration to make loans for the improvement and extension of rural telephone service. Having been born and reared on a small farm in the Ozarks of Missouri, I personally know the very urgent need of telephone service for our rural people.

I am the youngest of a family of 11 children. The farm on which I grew up had a phone on a local party line. About 15 of the neighbors together built the line and kept it in operation. Our ring was two longs and two shorts. This line had no connection with the outside world. We could not call the county seat. We could not call the village where we bought groceries. We, of course, could not call the doctor. Even this limited service was greatly appreciated and helped in many ways.

Had the phone service I knew as a boy been the beginning of an expanding rural service, the picture would now be quite different. However, the exact opposite is true. The farm on which I grew up does not now have a phone, even on the local party line. Yet a phone box is still there, and the census figures no doubt list the farm as having phone service. This Ozark community is typical of thousands of other communities over rural America.

It is needless for me to tell you that I favor this legislation. It is difficult for me to understand or appreciate the argument of those who oppose this bill. This legislation is reasonable, fair, workable, and provides a much overdue service.

I invite your attention to a few of the obvious reasons why Congress should enact this legislation:

First. It encourages local and private-owned telephone companies to improve and extend telephone service. In fact a definite preference is given to such groups.

Second. There will be an indefinite delay in extending service to many rural areas unless long-term, low-interest loans are made available. This bill provides 35-year loans at 2 percent interest.

Third. Modern mechanized farming has developed into a highly specialized business. This development has not just merely increased the farmer's need for phone service; it has made adequate phone service one of the essentials of successful farm operation.

Fourth. The key to adequate rural telephone service is area coverage. This involves planning, financing, and constructing a rural system which will give service to everyone in the area involved who wants the service. The entire system must be treated as a unit rather than considering each individual phone as a unit.

Fifth. Basically and fundamentally, any contest over this legislation is a fight between monopoly and free enterprise. This conflict has been brought into focus because the controlled monopolies which furnish telephone service have failed to expand to meet the needs of the widely scattered and less profitable rural com-

munities. On one side we find our present telephone monopoly and on the other side about two-thirds of our rural farm people who need more adequate phone service. This bill provides low-cost loan capital to the thousands of small independent and mutual companies who are now struggling against odds to serve these rural people. The choice we Members of Congress must make on this bill is between extending adequate phone service to our rural people through private enterprise or maintaining the present monopoly which exists on just the cream of phone service.

Sixth. This program will create new jobs and new business. The construction of new lines and rebuilding old ones will provide jobs. The maintenance of these lines will provide permanent employment for many. New operators will be needed to take care of these expanded facilities. The demand for construction materials, new phone instruments and other equipment will mean still more jobs in industry. Replacement of materials and equipment will continue indefinitely. Thus, the project means new jobs and new business.

Seventh. Farming, our basic industry, must be encouraged, stabilized, and enriched. As goes the economy of the farmer, so goes the economy of the Nation. Depressions fail to develop in the atmosphere of a sound and prosperous farm economy. I believe most of you agree that one of our most important national problems is to rebuild, properly use and conserve our soil and soil resources. The solution to this pressing national problem rests on the development and maintenance of a sound and permanent farm economy. It is obvious that adequate phone service is essential to such an economy.

Eighth. This program will not require spending the taxpayers' money. It is a program involving loans which will be paid with interest. Rather than spending public money, this program will be a sound investment of public money—an investment which will increase the value and attractiveness of farm homes—an investment in more abundant rural living.

Mr. GOLDEN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, in my opinion, this legislation promotes and protects private enterprise. Unlike many other bills, this measure recognizes the great importance of promoting private enterprise.

To begin with, established telephone companies, either large or small, are given the exclusive right for a period of 6 months following the passage of this measure to obtain loans from the Federal Government to either extend or improve their existing facilities.

It also provides that there shall be no duplication or unfair competition with an established telephone company in any territory that is adequately served by existing private enterprise.

This great committee, both Republican and Democrats, that have brought out this measure were keenly mindful and aware of promoting private industry

in America. The bill nowhere provides for Government ownership.

While the above things are true, it does recognize the great need of the farmers and rural people and people who live in villages and small communities for telephone service. To make it possible for these people to have good telephone service will greatly strengthen this Nation. It will promote the prompt transaction of business and will protect the health and general welfare of these people.

After the first 6 months, if some private enterprise does not choose to serve the rural people with telephone facilities, provisions are made whereby these people themselves or any group of them can form a company or an association, and borrow money from the Government to place in adequate telephone lines and equipment.

It is required under the provisions of the bill that this money is to be paid back over a long period of years. It is further provided that persons who borrow this money must show that under all of the circumstances they will be able to pay it back.

It is my opinion that it is a well-rounded and sound piece of legislation; that it will greatly promote the welfare of the rural people, and that it will at the same time, in many instances, promote private industry. In fact, it will furnish many feeder lines for the great telephone companies that now serve the thickly populated areas of America. I think the interest rate charged on these loans should be sufficient so as not to cause any loss to the Federal Treasury. No company that is now serving the people will be driven out of business by this measure. In fact, many companies that have struggled for sufficient finances to give good service and to make a profit can, under this bill, borrow the money to repair their facilities and to extend their facilities and to make them going profitable concerns. At the same time it takes up the great gap where existing companies have not furnished facilities or do not desire to do so, and it will enable millions of people in rural sections to obtain this much-needed telephone service to their homes and farms.

I sincerely hope that the measure passes, and I am glad to see that the Republican members on this great committee have protected private enterprise and that they are also strongly in favor of affording relief to the rural people of our country.

Mr. O'HARA of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 3, line 20, strike out the word "acquisition."

Mr. O'HARA of Minnesota. Mr. Chairman, I have a similar amendment on page 4, and I ask unanimous consent that the two amendments may be considered together.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Minnesota: On page 4, line 13, strike out the word "acquisition."

Mr. O'HARA of Minnesota. Mr. Chairman, I feel this is an important amendment in connection with the consideration of this bill.

Mr. Chairman, I have supported the REA program from its inception and I expect to continue that support. I have always felt that the farmers who wanted electricity were entitled to it and that they had not been rendered that service in many parts of the country by the utilities furnishing such service.

Under the REA Act there was no such language as is contained in this bill, and I refer principally to the word "acquisition." The REA Act made no provision for the acquisition of additional properties. The entire tenor of the argument which has been presented here upon the floor is the supplying and furnishing of telephone service and the continuation of the companies that are in existence.

Frankly, while I speak for those who want the telephone service, I also must say a word for the 52,000 or 53,000 independent companies that are furnishing this service. Under Section 201 of this bill funds may be obtained by the REA for 5 purposes: "improvement, expansion, construction, acquisition and operation of telephone lines, facilities or systems, to furnish and improve telephone service in rural areas."

Mr. Chairman, the word "acquisition" is a very broad term. I have sent over to the law library and I have obtained Bouvier's Law Dictionary from which I would like to quote the following:

The word "acquired" is to make property one's own; to gain permanently.

"Acquisition," of course, is the act by which a person procures the property and the thing.

The point which I wish to make is that this bill makes funds available, among other things, to public bodies, and "public body", as the term is used in the administration of the REA is a municipality or other State or political subdivision. This bill would authorize the lending of money for the acquisition thereof by public bodies of telephone lines, facilities or systems, so long as the purpose is to furnish and improve telephone service in rural areas. Certainly if you mean what you say, and you speak feelingly for the companies that are already in existence, if you allow this 6-months' priority to the companies that are in business, then why do you need the word "acquisition" in this act?

Mr. Chairman, in my opinion, it is put in there for the purpose of promotion purely, not for extension; it is put in here for the promoters to get busy and go out in the field, promote and take over our fine little existing independent lines. I am extremely interested in seeing that those who do not have telephone service in our rural communities have this service. Do not think this applies to only a few backward areas in the South. It applies to every community in my district. In the farm areas

of my district the telephone company serves 78.1 percent of the farm people, as good as practically the best in the United States. But in every one of these communities are areas that are not given adequate service. So I ask the committee to vote for my amendment, because it is offered in sincere good faith of preventing these promoters who will take over these properties.

Let us see what you could do under this bill. You could have a municipality that desired to go in by promotion into the telephone business. You could have a large company, a reasonably large company, come in and take over a whole State. That may sound exaggerated, but there is nobody under this act, other than the Administrator, who could say "No."

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. O'HARA of Minnesota. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. O'HARA of Minnesota. I appreciate that the Committee is anxious to finish up this bill, and I join them in that. But, I must present this argument.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield to the gentleman from North Carolina.

Mr. COOLEY. If the amendment offered by the gentleman is adopted, it would not be possible for a little operating company that is finding it difficult to continue operating, to sell out, but a new company that would take it over and rebuild it and put it in operating condition, could take over.

Mr. O'HARA. If that is the gentleman's theory, where are you going to stop in the matter of this little company being forced out of business? That is just exactly what the little independent is worried about.

Mr. COOLEY. If the gentleman's amendment should prevail, a little company would have to be liquidated and go into bankruptcy, perhaps, or suffer other losses—

Mr. O'HARA of Minnesota. I do not yield any further to the gentleman, I am sorry, he can get his own time to argue the matter. What the gentleman advances under the theory of this bill is the extension of service, just as we did under the REA. You did not see fit to add the word "acquisition" in the REA, did you? No. Now, if you are coming in here suggesting a change, that should be considered. Either you are talking out of both sides of your mouth or you are talking out of one side. Either you are extending the privileges to the little company that the chairman and the ranking member on the Republican side have insisted on, or else you are promoting just what I am fighting and just what my little companies are fighting, the theory of coming in with a group who can get a loan from the Administrator and force the little company to sell out.

That is practically what the gentleman has said.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, the little company that the gentleman is talking about is made eligible for a loan under this bill, and the little company can make a loan just as well as the big company. He does not have to sell out.

Mr. O'HARA of Minnesota. He does not need to acquire some other property to do it, does he? All he wants to do is to extend his line.

Mr. COOLEY. Oh, yes, but he might need to acquire additional property.

Mr. O'HARA of Minnesota. Then the gentleman answers the very fear of what the little independents themselves are worried about.

Mr. COOLEY. I am afraid that the gentleman does not understand the purpose of this bill which is to give to the little company the same opportunity as the big company.

Mr. O'HARA of Minnesota. I understand the bill very well. I have studied it backwards and forwards. I have read the hearings, and I still read the letters that I get from my little independent companies, and if you do not think they are fearful of what this bill will do to them I will be glad to turn over my file to the gentleman. They have the fear of the Government going into the telephone business, just as I illustrated in my remarks, and of closing them out. Some of these people, for two generations, have engaged in the operation of these businesses, and I hope the amendment will be agreed to. Of course, if public bodies are eligible for loans, such bodies have rights of eminent domain and the power of condemnation.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the same matter the gentleman from Minnesota discussed yesterday. I can but repeat the same answer I gave him yesterday. The reason for placing the word "acquisition" in the bill is in order that there may be an opportunity for at least a substantial part of these 53,000 telephone operators in the United States to have some place to dispose of their systems as time goes on. We all recognize that it is an utter impossibility to give the kind of service that rural America is entitled to receive over the 53,000 different systems that are now conducted in the United States. Most of those are simply party lines that are owned by the people they serve. They are not systems in the sense that the Bell System is called a system.

Whenever anyone comes into a community, be it an existing telephone company, a cooperative, or the Bell Co., and seeks to establish a better system, seeks to give the improved service to which the community is entitled, it seems to me there should be a reasonable opportunity for those people who presently own their lines, most of which are connected with switchboards that could not be affected by this bill because the switchboards are in town, to dispose of these lines. The purpose of most of these people in building the lines was merely to give service to the community. They did not want

to be in the telephone business. It was merely that the farmers built their own lines. But when somebody comes along and says, "We will take 6, 8, or 10 of these lines and consolidate them and bring them into one switchboard and give you better service," we want that new operator to be in a position to offer something to those people so that they can get their investment out of it.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. If the amendment is adopted, that very thing could not happen.

Mr. POAGE. That is exactly right. If the amendment is adopted, then there is no chance in the world for any of those people ever to get a penny out of those lines.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman from Minnesota speaks of the fear of some of the small companies in his district that somebody will acquire them. I know of a number of companies in my district that have been begging for somebody to acquire them for a long time. They have tried to sell out to Bell, they have tried to sell out to the large independents, because they knew they could not maintain the service. If the amendment offered by the gentleman were adopted, there would be no opportunity for those companies to strengthen themselves by acquisition or consolidation or by doing anything that would enable them to render such a service.

Mr. POAGE. That is exactly right. I think the distinction is that the gentleman from Minnesota is referring to the telephone companies as you think of a company that is doing business in a city, that has a switchboard, that is doing exchange business, long-distance business, whereas the gentleman from Kansas and I are thinking of those 53,000, only about 800 of which own switchboards, and most of which are small lines that must be consolidated and acquired by someone if we are to have better service.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Is there anything in this measure that requires any company to sell out?

Mr. POAGE. Not to my knowledge. We recognize that as improvements go on, as the Bell System installs the dial system in the cities and over the long-distance lines of this Nation, there is not a way in the world that these little companies can continue to exist unless either they improve their system by installing a dial system or they consolidate and sell out to someone else. That is true whether this bill passes or whether it does not. We are faced with the advance of science. The Bell Telephone System today has a program in operation whereby you can sit in the city of Washington and dial

a number in Miami or San Francisco, Calif., and get your connection in 10 seconds. Those connections cannot be made by the ordinary small telephone system of today. You cannot connect these single-wire lines with that kind of system. If these small systems are to continue to exist they must be modernized. In most cases this means they must be absorbed. If they are absorbed we want their owners to get something for them.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Arkansas.

Mr. TACKETT. I am worried about the word "acquisition" being interpreted as an eminent-domain provision.

Mr. POAGE. No, this bill does not contain anything concerning eminent domain. This bill does not provide a thing in the world except the power on the part of the REA to lend money. That is all it provides and nothing more. The power of eminent domain is granted by the States. This bill imposes no obligations or powers in regard to eminent domain.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. O'HARA of Minnesota) there were—ayes 32, noes 87.

So the amendment was rejected.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, in connection with my remarks on the Poage rural telephone bill, which legislation I hope will be administered on a businesslike basis, I want to say a few words about the REA.

I have supported rural electrification since its inception. It has been a fine thing to have assisted in making possible electric service for American farm homes. Local REA associations have been run on a business basis, and electric service is now enjoyed by more than 75 percent of the Nation's farmers. Government loans are being repaid with interest. The program has been a good investment.

THE EIGHTIETH CONGRESS AND REA

I wonder how many farmers remember some of the misleading propaganda that was dished out by Democratic leaders in the campaign of 1948 about the attitude of the Eightieth Republican Congress toward rural electrification. I would like to call your attention to what Candidate Harry S. Truman said about the subject in several speeches and particularly the one he made at Crawfordsville, Ind., on October 12, 1948. I quote in the following from his speeches:

President Truman said:

They (Republicans) cut the rural-electricity program. And, yet, the Republican Party is still fighting REA at every turn of the road.

THE TRUTH WILL OUT

I feel that this would be an appropriate time to point out that the Eightieth Republican Congress appropriated \$800,000,000 for the REA, which was the largest sum ever appropriated by any Congress to provide funds for the extension of electric service to American farm

homes. The REA was created in 1936. From 1936 to and including 1946, more than 10 years, the Democratic Congresses in control of appropriation had only provided \$1,075,428,288 for the REA, whereas the Eightieth Republican Congress in the 2 years of its existence, appropriated \$800,000,000. During the same 2-year period, the Republican Congress reduced taxes, cut Federal spending by \$5,000,000,000, and paid off around \$8,000,000,000 on the national debt.

The truth eventually catches up with incorrect statements, and that is what has happened in the case of Presidential utterances made in 1948. The inaccuracy of President Truman's statements are completely refuted in the following letter which I received from Hon. Claude R. Wickard, Administrator of the REA, dated April 11, 1949. Mr. Wickard states, with pride, that more farmers were provided with electric service in 1948 and more miles of electric lines constructed, than in any other year of REA history. I thank Mr. Wickard for telling us the truth.

DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D. C. April 11, 1949.

HON. AUGUST H. ANDRESEN,
House of Representatives.

DEAR MR. ANDRESEN: Enclosed is our monthly Statistical Bulletin containing figures for December 1948. We are sending it to you because we thought you might like to have complete year-end figures.

The progress indicated by the statistics in this bulletin exceeds our expectations and earlier estimates. It shows that our borrowers connected about 485,000 consumers during the year, and placed almost 155,000 miles of line in service. Both figures are substantially greater than in any other year.

The 17,873 miles of line energized during the month of December 1948 constituted by far a new record. Consumer connections during that month, 40,226, were close to the average for 1948, which was a record year. In fact, during all of 1948, the REA borrowers averaged three new connections every working minute.

Difficulties in obtaining conductors, the lack of adequate supplies of electrical energy, and the high level of prices continue to be major obstacles to even more rapid progress. The fact that about 3,750,000 occupied rural dwellings, nearly half of them farms, remain without electric service challenges our best efforts to overcome these obstacles.

Sincerely,

CLAUDE R. WICKARD,
Administrator.

Mr. Wickard was also kind enough to send me some statistical tables showing the remarkable progress made as a result of appropriations made by the Republican Eightieth Congress. These tables can be procured by any Member upon request to Mr. Wickard. I will only place in the record, as a part of my remarks, the table showing Rural Electrification Administration appropriations from 1936 to 1949. The two appropriations amounting to \$800,000,000 are shown for 1948 and 1949; were provided by the Eightieth Republican Congress as compared with \$1,075,428,288 by Democratic Congresses since the creation of the Rural Electrification Administration. Again I state, it is refreshing to have the truth come from a high official of the Democratic Administration.

Authorizations and loans approved

[Department of Agriculture, Rural Electrification Administration, Monthly Statistical Bulletin No. 94, as of Dec. 31, 1948]

Fiscal year	Authorizations	As of end of month	Loans approved—Cumulative totals, rescissions deducted			
			Total	Distribution systems	Generation and transmission	Consumer facilities
1935-36	\$13,928,288	June 1936	\$13,903,412	\$13,875,412	\$28,000	0
1937	46,500,000	June 1937	58,936,217	57,332,117	1,510,000	\$94,100
1938	30,000,000	June 1938	88,172,436	84,265,904	2,664,000	1,242,532
1939	140,000,000	June 1939	227,236,949	217,424,238	6,148,000	3,664,711
1940	40,000,000	June 1940	268,972,949	256,666,238	6,716,000	5,590,711
1941	100,000,000	June 1941	369,027,621	349,195,288	12,328,150	7,504,183
1942	100,000,000	June 1942	469,180,345	408,818,912	40,490,850	10,870,583
1943	10,000,000	June 1943	466,881,323	413,919,216	42,186,144	10,775,963
1944	20,000,000	June 1944	488,811,447	442,417,290	45,203,694	11,190,463
1945	25,000,000	June 1945	524,542,562	461,859,421	50,923,618	11,789,463
1946	300,000,000	June 1946	813,914,990	718,445,466	82,843,661	12,625,863
1947	250,000,000	June 1947	1,068,436,162	939,013,815	116,173,556	13,248,791
1948	400,000,000	June 1948	1,381,459,261	1,211,671,584	156,151,589	13,630,088
1949	400,000,000	October 1948	1,498,472,461	1,319,682,475	164,891,398	13,898,588
Total	1,875,428,288	November 1948	1,532,762,461	1,341,107,475	177,756,398	13,898,588
		December 1948	1,574,924,461	1,374,738,575	186,266,998	13,918,588

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending measure close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

Mr. JENSEN. Mr. Chairman, I object.

Mr. COOLEY. Mr. Chairman, I will amend my request by asking unanimous consent that all debate close on the pending measure in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 2, line 14, after the word "facilities", insert "other than by condemnation procedure."

Mr. JENSEN. Mr. Chairman, I have supported REA to the limit to give farmers the electric energy that is needed so desperately, but this bill embarks on a new Federal venture which in my studied opinion is not necessary.

The reason I have offered this amendment is because there is at least one State in our Union which has a law to permit a few people to band together to bring condemnation proceedings against existing private companies and take over their business, lock, stock, and barrel. So I just want to be sure that no Government-financed group can take over existing telephone property by condemnation procedure under the provisions of this bill. Five minutes is not enough time to explain the justification of my amendment, so I fear it will not receive the support it deserves here in the House. I hope the Senate will give it the attention it deserves when that body considers this bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield.

Mr. COOLEY. Why does the gentleman feel it is necessary to have that language in the bill?

Mr. JENSEN. I just explained to the House that under the law of at least one

State in our Union a small group of men can band together and take over private property by condemnation procedure. I just want to make sure it is not permitted under the provisions of this bill.

Mr. COOLEY. Well, could it possibly be true that a few people could go out and acquire the right to exercise the right of eminent domain and take over a company?

Mr. JENSEN. They do in one of our States. Of course, the property is paid for after it is taken over.

Mr. COOLEY. I never heard of it.

Mr. JENSEN. Nevertheless, that is a fact; believe it or not.

Mr. COOLEY. That is a matter that is governed by the States, and certainly not by the Congress.

Mr. JENSEN. Right; but let us make sure that it does not happen under the provisions of this bill.

Mr. COOLEY. I do not know how it would be possible to happen.

Mr. JENNINGS. Is it the purpose and the effect of the amendment the gentleman has offered to preclude the use of condemnation proceedings in order to acquire property?

Mr. JENSEN. Yes; but, of course, my amendment does not prohibit the condemnation of the right-of-way.

Mr. JENNINGS. In other words, they cannot do it?

Mr. JENSEN. They cannot. Property by condemnation procedure, except right-of-way should not be permitted.

Mr. COOLEY. When the gentleman uses the word "they," to whom does he refer?

Mr. JENSEN. I mean any group or organization. This would prohibit them from acquiring the property of a mutual telephone company or private telephone company by condemnation.

Mr. COOLEY. How on earth could they do it unless the owners wanted to sell?

Mr. JENSEN. The gentleman is talking like the good American we know him to be. I will admit it is hard to believe, but the truth is that we have one State in the Union which permits that very thing to be done.

Mr. COOLEY. That gives a private corporation the right of condemnation?

Mr. JENSEN. No; any public utility district has that right in one of our States.

Mr. COOLEY. A public utility?

Mr. JENSEN. Yes.

Mr. COOLEY. Has the right of eminent domain?

Mr. JENSEN. My amendment does not interfere with the right of eminent domain.

Mr. COOLEY. What is wrong with that? In the State of North Carolina we have the right of eminent domain to acquire property rights and rights-of-way for the extension of public utilities.

Mr. JENSEN. Sure; as does every State. That is necessary and proper, but the laws of the State of Washington permit the acquisition of private property by condemnation procedure. Let us make sure that it is not permitted under this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. JENSEN) there were—ayes 9, noes 67.

So the amendment was rejected.

Mr. HARVEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARVEY: On page 3, line 20, after the word "acquisition", insert the word "consolidation" and a comma.

Mr. HARVEY. Mr. Chairman, I have another similar amendment applying to page 4. I ask unanimous consent that both amendments may be considered together.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HARVEY: On page 4, line 13, after the word "acquisition", insert the word "consolidation" and a comma.

Mr. HARVEY. Mr. Chairman, I hope the committee will not object.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. COOLEY. I have no authority to speak for the committee, but as chairman of the committee I can see no objection to the amendments. As far as I am concerned I will not object to their being adopted.

Mr. HARVEY. I am very happy to have the committee accept the amendments.

The CHAIRMAN. The question is on the amendments.

The amendments were agreed to.

Mr. POAGE. I ask unanimous consent that all Members who desire to do so may extend their remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BRYSON. Mr. Chairman, our people throughout the country, especially those living in the rural areas, are delighted that Congress is considering the type of legislation as is embodied in H. R. 2960.

To those who contend that this legislation will be hurtful to private enterprise and that it is simply the establishment of another Government agency, I would call attention to the following statement from the report on the bill: "It is not a bill for Government ownership or operation of telephone facilities. On the contrary, it provides that funds shall be made available on identical terms to private corporations, public agencies, and cooperatives, gives persons now operating telephone facilities a clear preference over all other types of applicants, and preserves to the utmost the authority of State regulatory bodies over rates, service, and service areas."

I believe in private enterprise but there are instances where private enterprise cannot or will not meet the full needs of our people. The providing of adequate rural telephones like the providing of rural electricity to remote sections of our country is a typical example of where private enterprise has failed to meet the needs.

The plans contemplated under this bill seem to be most logical. It will be possible to supply this too-long-delayed and much-needed telephone service at minimum cost. One of the largest, if not the greatest item of expense in telephone service is the procurement of the right-of-way and erection of the poles. This has already been done by the Rural Electrification Administration; hence, the job is half done before we start. Of course, it is expected that rural telephones are to be supplied to areas where there may not be any rural electric lines. Under the plans contemplated in the bill, double service will be received from the already erected poles without undue strain thereon.

Under modern business methods telephone service is most essential. One can hardly imagine conducting a business or profession without a telephone. Farming is a business and farmers are in great need of telephone service.

While the great telephone companies have done a splendid job in extending their facilities they by no means have met the needs. The demands upon the present telephone companies for added services are great, but I do not believe they would ever be able to reach all who want and need telephones.

Time will not permit the enumeration of individual examples of the need for telephones. I do, however, call attention to this fact: Doctors, for instance, seldom live in the remote sections of our country nowadays. They prefer to live in the cities and towns. Everyone knows there is a shortage of doctors. With rural telephone systems, doctors can be called from their homes in the towns and be able to serve a greater number of patients.

As the use of electricity on farms has lessened the burdens of both man and beast, so will telephones not only lessen burdens but bring great comfort to our people.

Congress is now seeking to deal with the complex slum areas in our cities. One of the solutions to this problem is to make rural life more attractive and

profitable. The enactment of this bill into law will tend to induce our young people to remain on the farms, and at the same time will cause those who live in the cities to seek the open spaces.

The theory of this bill is wholesome. I trust Congress will act favorably on the measure without delay, thus rendering constructive service to our people and our country.

Mr. MILLER of Nebraska. Mr. Chairman, I expect to support this bill which makes it possible for the Rural Electrification Administration to cooperate with their local groups and install rural telephones whenever it is feasible.

It is estimated that 57 percent of rural America is without telephone service. I believe that percentage would be high as compared to the 38 counties I represent in the Fourth Congressional District of Nebraska.

We can all be justly proud of the record made by the REA. This organization started in 1936. At that time about 11 percent of the homes in rural areas had electricity. Today about 75 percent of the rural homes have electricity. In 1936 about 22 percent of the rural homes had telephones, while today it has only increased about 21 percent.

My colleagues, I speak with a great deal of frankness because as a doctor in a rural community I can appreciate the need for telephones when sickness comes to that home. Telephone service can bring great service and benefits to the farm. It is no longer a luxury but a necessity. In my own personal experience, I have seen patients lose their lives because they had no quick access to a doctor or a hospital when accidents or sudden illness came to the family. My own mother died 45 years ago, at an early age, and I am convinced had we had a telephone, and the doctor could have been reached earlier, she might still have been alive. There is no question but rural telephones can bring great comfort to those far removed from the city. In my own opinion telephone service is far more necessary in rural areas than in cities where hospital and other emergency facilities are close at hand.

I have read the bill carefully. It seems to me that the committee has properly protected the existing telephone companies. There will be no duplication of telephone installation. The bill provides that existing private telephone companies have 6 months in which to make an application for a loan to either extend or remodel their present facilities. This section of the bill gives emphasis to and protects free enterprise. The bill provides that these existing private telephone companies may get money on a 33-year loan at 2-percent interest. If they do not care to extend their facilities, then it will be possible for the present REA facilities to form cooperatives and get a long-term loan to modernize or extend telephone services to the remote rural areas. It should be understood that this is not a gift. It is a loan. It is paid back with interest. The REA's have an excellent record of paying back the money they have borrowed.

This bill if enacted into law will bring the needed comforts to rural areas. I feel certain, Mr. Speaker, that this legislation is in the public interest and ought to become law.

Mr. COOLEY. Mr. Chairman, under leave to extend my remarks I desire to make a few brief observations concerning the rural telephone bill.

During my service in Congress I have participated in the preparation and passage of many measures which have been beneficial to the farmers of the Nation. I take great pride in the fact that for 16 years I have been permitted to serve on the House Committee on Agriculture. I take even greater pride in the fact that the farmers of the Nation today are enjoying a greater degree of prosperity than they have enjoyed at any time in the history of our Nation. For too many years the farmers of America were neglected. Our failure to provide the farms of the Nation the blessings and benefits of electric light and power is perhaps one of the greatest crimes of our day and generation. But for the action taken here in the Halls of Congress in creating the Rural Electrification Administration, countless thousands of our citizens, living in the rural areas, would still be without the God-given blessings of electricity, yes, they would be in outer darkness and in utter darkness. It is really difficult for those citizens who live in cities and who have known and have enjoyed the blessings of electric light and power, to understand and to appreciate their great luxury, and it is even more difficult for them to know and to understand the loneliness of the darkness of the countryside. Now, thanks to REA, thousands upon thousands of the homes of rural America have been made happy and life on the farm is less burdensome.

Every farm home in America should have a good road leading to its door, it should be lighted with electricity, and it should have all of the benefits and blessings of electric power, and in addition thereto, Mr. Speaker, every farm home should have the benefits of a telephone. With electricity has come radio and all of its enjoyment, yes, and with electricity has come sanitation, refrigeration, and a thousand and one other blessings. But even though a farm home has electric light and power, and even though it has a good road leading to its door, but has no telephone, it is still isolated from the rest of the world. In the event of an emergency, if a farmer living in an isolated area is without a telephone, he has no way to communicate with his physician, even though there is serious illness in his family. If he is without a telephone and is without modern transportation, he is shut off from the rest of the world. A farmer so situated might find himself confronted with a sudden emergency and be forced to walk through darkness many long miles to a telephone to summon a doctor to the bedside of a desperately ill member of his family. During his absence on such an emergency the members of his family, perhaps a lonely wife, must be left alone in physical pain and with great mental anguish. If a farmer so situated finds it necessary to call upon

the officers of the law to protect his life or his property, he may be forced to abandon his family and his fireside and to travel a great distance to summon the law-enforcement officers of his county. If, on the other hand, a farm home is equipped with a telephone, the farmer and the members of his family are always near to the doctor, to the sheriff, to the merchant, yes, and to the neighbors, and without delay he can summon the assistance of all of them. Who among us would say that the farmers of the Nation should longer be neglected, and who among us would deny them the right to have the benefits of this modern means of communication? Telephones are now a necessity, they are no longer mere luxuries, and telephones should be in the easy reach of every home on every farm in this Nation, and the rates should at all times be reasonable so that every farmer can afford to have a telephone.

I can, of course, appreciate the fact that during the war there was a great shortage of critical materials. I know that there was a shortage of telephones, a shortage of wire, insulation, and other equipment, and even of manpower. I can therefore very readily appreciate and understand why it was not possible for private companies to build rural lines. I discussed this situation with officials of private companies, and I was rather fully advised concerning the desperate shortage of equipment and materials. I was assured that when the war was over and materials became plentiful that rural lines would be extended. I know that many of the companies have actually been distressed over the fact that they have not yet been able to meet the great demands which have been made upon them. I know, too, that some of the companies have made great progress in the building of rural lines, but I know, on the other hand, that in many areas the rural people have been neglected and rural lines have not been extended in many areas where they could have been very easily extended. In my own State of North Carolina, with a total of 287,412 farm homes in 1945, we only had the small number of 14,539 farm homes with telephones. In other words, there were 272,873 farm homes in North Carolina in 1945 without telephones. Even in 1920, 12.2 percent of the farm homes in my State had telephones. Whereas in 1945 only 5.1 percent had telephones. Even these rural telephones were not sufficiently and satisfactorily operated. When I realize that 272,873 farm homes in my State of North Carolina were without telephones in 1945, and that there had been such a substantial decrease in the percentage of rural homes with telephone service from 1920 to 1945, I am impressed with the great necessity of trying to do something about this situation. The information I have, however, does lead me to believe that at least in eastern North Carolina some progress has been made. Actually I am advised that the Carolina Telephone & Telegraph Co., which operates in my particular area, has perhaps the best record in extending rural lines than that of any other company in all the Nation. While

I congratulate and commend the officials of this great company, and while I am delighted with the progress that has been made, I cannot say that on a Nation-wide basis I am satisfied with the progress that has been made by the companies now in existence. Being impressed, however, by the thought that if given proper encouragement, these companies might further extend rural lines, I am anxious to accord to them a further opportunity and privilege to do so.

We have, therefore, provided that for the first 6 months companies now in operation shall be given the exclusive right to apply for lines. If the private companies, in good faith, do intend to provide adequate telephone facilities in the rural areas of America, this is their opportunity and I hope that they will seize upon it. I realize, of course, Mr. Speaker, that the companies can make more money in the thickly populated areas and I appreciate the fact that rural lines on a per customer basis are more expensive to construct, to maintain, and to operate, but after all, we are here dealing with public utilities and certainly we have a right to expect these corporations to render appropriate public service. This is their chance if they want to extend rural lines and we are trying to help them do so. If on the other hand they do not want to and will not build the rural lines, which must be built, then we are here and now authorizing the use of Federal funds and the credit of the Federal Government in aiding farmers to organize in a cooperative effort to provide these very necessary facilities.

We must make the rural homes in America healthier and happier, and nothing will contribute to the health and happiness of the farm families of America more than electricity and proper means of communication. I am, therefore, delighted in the thought that before this session of Congress adjourns, hope will be given to the farmers of the Nation who are now isolated on account of a lack of proper communication facilities. Every time we contribute to the happiness of farmers we contribute to the stability of our national economy and to the security of our great Nation.

In providing electricity and in the building of distribution lines, wire, insulation, poles, and other materials must be used, but stringing telephone wires on electric poles and perhaps even using the same hot wires through which the electric current is transmitted, telephones should be provided for citizens who are now members of rural electric cooperatives at a cheaper rate and at a rate which every member could well afford to pay. It should not be necessary to make great investments in poles, rights-of-way, or other capital investments. I have every reason to believe that most of the members of rural electric cooperatives, who feel the necessity of having telephones, will apply for telephone service.

Certainly the big companies should have no objection to this bill. Every rural telephone user will immediately become a potential customer, since all cooperatives, always of necessity, must have long-distance connections. If a

farmer on the east coast wants to communicate with someone on the west coast, the big companies will profit by each and every call. After all is said, every new rural customer will immediately contribute to the profits of the big companies who now control the transcontinental lines and the big systems which are now in operation.

In conclusion, Mr. Chairman, I desire to express the hope that service in rural areas will be extended and be made more efficient and will be made cheaper, for I know that all of this will contribute to the strength and to the happiness of the people of this great Nation.

The CHAIRMAN. Under the rule, the Committee rises.

According the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee, having had under consideration the bill (H. R. 2960) to amend the Rural Electrification Act to provide for rural telephones, and for other purposes, pursuant to House Resolution 267, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 282, nays 109, not voting 41, as follows:

[Roll No. 126]

YEAS—282

Abbott	Burleson	Dolliver
Abernethy	Burnside	Donohue
Addonizio	Burton	Doughton
Albert	Byrne, N. Y.	Douglas
Allen, La.	Byrnes, Wis.	Doyle
Andersen,	Camp	Durham
H. Carl	Cannon	Eberharter
Andresen,	Carlyle	Elliott
August H.	Carnahan	Engel, Mich.
Andrews	Carroll	Engle, Calif.
Aspinall	Case, N. J.	Evins
Auchincloss	Case, S. Dak.	Feighan
Barden	Celler	Fernandez
Baring	Chelf	Fisher
Barrett, Wyo.	Christopher	Flood
Bates, Ky.	Chudoff	Fogarty
Battle	Cole, Kans.	Forand
Beckworth	Cole, N. Y.	Frazier
Bennett, Fla.	Colmer	Fugate
Bennett, Mich.	Combs	Fulton
Bentsen	Cooley	Garmatz
Biemiller	Cooper	Gary
Bland	Cotton	Gathings
Blatnik	Cox	Golden
Boggs, La.	Crook	Gore
Bolling	Crosser	Gorski, Ill.
Bonner	Cunningham	Gorski, N. Y.
Bosone	Davis, N. Y.	Gossett
Boykin	Davis, Ga.	Granger
Brehm	Davis, Wis.	Grant
Brooks	Dawson	Gregory
Brown, Ga.	Deane	Gross
Bryson	DeGraffenried	Hagen
Buchanan	Denton	Hand
Burdick	D'Ewart	Harden

Hardy
Hare
Harris
Harvey
Havenner
Hays, Ark.
Hays, Ohio
Hebert
Hedrick
Herlong
Hill
Hobbs
Hollfield
Holmes
Hope
Horan
Howell
Hull
Irving
Jackson, Wash.
Jacobs
Javits
Jenkins
Jennings
Johnson
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karst
Karsten
Kee
Keefe
Kelley
Keogh
Kerr
Kilday
King
Klirwan
Klein
Kruse
Lane
Lanham
Larade
LeCompte
Lemke
Lesinski
Lind
Love
Lucas
Lyle
Lynch
McCarthy
McCormack
McCulloch
McGrath
McKinnon
McMillan, S. C.
Mack, Ill.
Mack, Wash.
Madden

Magee
Mahon
Mansfield
Marcantonio
Marshall
Marshall
Martin, Iowa
Martin, Mass.
Morrow
Meyer
Miles
Miller, Md.
Miller, Nebr.
Mills
Monroney
Morgan
Morris
Morton
Moulder
Multer
Murdoch
Murphy
Murray, Tenn.
Murray, Wis.
Nelson
Nixon
Noland
Norblad
Norrell
Norton
O'Brien, Mich.
O'Hara, Ill.
O'Hara, Minn.
O'Konski
O'Neill
O'Sullivan
Pace
Passman
Patman
Perkins
Peterson
Phillips
Phillips, Calif.
Phillips, Tenn.
Pickett
Poage
Polk
Potter
Poulson
Preston
Price
Priest
Rabaut
Rains
Ramsay
Rankin
Redden
Rees
Rhodes
Richards

Rodino
Rogers, Fla.
Sanborn
Sasser
Scudder
Secrest
Sheppard
Short
Sikes
Simpson, Ill.
Sims
Smathers
Smith, Kans.
Smith, Va.
Spence
Stanley
Steed
Stefan
Stigler
Stockman
Sullivan
Sutton
Tackett
Talle
Tauriello
Teague
Thomas, Tex.
Thompson
Thornberry
Tollefson
Trimble
Underwood
Van Zandt
Vinson
Vursell
Walsh
Walter
Weichel
Welch, Mo.
Wheeler
Whitaker
White, Calif.
White, Idaho
Whitten
Whittington
Wickersham
Wier
Williams
Willis
Wilson, Ind.
Wilson, Okla.
Winstead
Withrow
Wolverton
Wood
Worley
Yates
Young
Zablocki

NAYS—109

Allen, Calif.
Allen, Ill.
Anderson, Calif.
Arends
Bailey
Barrett, Pa.
Bates, Mass.
Beall
Bishop
Blackney
Boggs, Del.
Bolton, Ohio
Bramblett
Breen
Brown, Ohio
Buckley, Ill.
Chesney
Chipperfield
Church
Corbett
Crawford
Curtis
Dague
Davenport
Delaney
Dollinger
Dondero
Eaton
Ellsworth
Elston
Fallon
Fellows
Fenton
Ford
Gamble
Gavin
Gillette

Goodwin
Gordon
Graham
Granahan
Green
Gwinn
Hale
Hall
Leonard W.
Hertel
Heseltun
Hinshaw
Hoffman, Mich.
Huber
Jackson, Calif.
James
Jenison
Jensen
Jonas
Judd
Kean
Kearney
Kearns
Keating
Kennedy
Kilburn
Kunkel
Latham
LeFevre
Lichtenwalter
Linehan
Lodge
McConnell
McDonough
McGuire
McSweeney
Macy

Mason
Michener
Nicholson
O'Brien, Ill.
O'Toole
Patten
Patterson
Quinn
Reed, Ill.
Reed, N. Y.
Regan
Ribicoff
Rich
Riehlman
Rooney
Sabath
Sadiak
St. George
Scott, Hardie
Scott
Hugh D., Jr.
Scrivner
Shafer
Simpson, Pa.
Smith, Ohio
Smith, Wis.
Taber
Taylor
Towe
Velde
Wadsworth
Wagner
Werdel
Wigglesworth
Wilson, Tex.
Wolcott
Woodruff

NOT VOTING—41

Angell
Bolton, Md.
Buckley, N. Y.
Bulwinkle

Burke
Canfield
Cavalante
Chatham

Clemente
Clevenger
Coudert
Davis, Tenn.

Dingell
Furcolo
Gillmer
Hall
Edwin Arthur Mitchell
Halleck
Harrison
Hart
Heffernan
Heiler
Hoeven

Hoffman, Ill.
McGregor
McMillen, Ill.
Miller, Calif.
Morrison
Pfeifer
Joseph L.
Pfeiffer
William L.
Plumley

Powell
Rivers
Rogers, Mass.
Roosevelt
Sadowski
Staggers
Thomas, N. J.
Welch, Calif.
Woodhouse

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Harrison for, with Mr. Hoffman of Illinois against.
Mrs. Woodhouse for, with Mr. McMillen of Illinois against.

General pairs until further notice:

Mr. Morrison with Mr. Welch of California.
Mr. Rivers with Mr. Plumley.
Mr. Mitchell with Mr. William L. Pfeiffer.
Mr. Sadowski with Mr. Canfield.
Mr. Roosevelt with Mr. Halleck.
Mr. Gilmer with Mr. Angell.
Mr. Burke with Mr. Clevenger.
Mr. Davis of Tennessee with Mr. Coudert.
Mr. Bolton of Maryland with Mr. Edwin Arthur Hall.
Mr. Dingell with Mr. Hoeven.
Mr. Chatham with Mrs. Rogers of Massachusetts.
Mr. Miller of California with Mr. McGregor.
Mr. Staggers with Mr. Vorys.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein by direction of the California delegation, a resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REHABILITATION OF NAVAJO AND HOPI INDIAN TRIBES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 282) providing for the consideration of the bill (H. R. 5208) to promote the rehabilitation of the Navajo and Hopi Indian Tribes and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes (Rept. No. 1040) which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5208) to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes. That after general debate which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without

intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. DONDERO asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

Mr. STEFAN asked and was given permission to extend his remarks in the RECORD and include an address by Bishop Bergan, archbishop of Omaha.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in three instances and include extraneous material.

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD and include an editorial.

ADJOURNMENT FROM THURSDAY TO MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman tell us the program for tomorrow?

Mr. McCORMACK. Mr. Speaker, the next order of business today will be consideration of the bill (H. R. 940) to authorize public improvements in Alaska.

On tomorrow the first order of business will be the resolution relating to overtime on overtime, then H. R. 5187, the fur-labeling bill, and H. R. 5208, pertaining to rehabilitation of the Navajo Indians.

Mr. MARTIN of Massachusetts. The gentleman is not ready to state the program for next week?

Mr. McCORMACK. No. I may say, however, that the agricultural bill will be taken up on Tuesday and general debate will begin at that time. I can definitely make that statement to the House at the present time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

A CASE OF POOR MEDICAL ATTENTION IN THE NAVY

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter from Louis J. Ankney.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROOK. Mr. Speaker, one of my young constituents, who now resides at 2314 Eighteenth Street NW., Washington, D. C., was given honorable discharge from Navy service on July 1, 1949, and recently called at my office to disclose the deplorable neglect that was netted him when critically ill during his service for our Nation. It is a miracle that the young man was able to withstand the ordeal and relate his painful experiences.

Mr. Speaker, that every Member of this Congress may be privileged to know the full particulars of this case, I include the following letter from Louis J. Ankney, drafted in the interest of all young men in the service:

WASHINGTON, D. C., July 12, 1949.
HON. THURMAN CROOK,
House of Representatives.

DEAR MR. CROOK: Confirming our conference of July 9, 1949, I wish to present the following facts in support of my complaint of the poor medical attention which I received during my service in the United States Navy.

On September 5, 1943, I felt distressful pains in my lower right side and back. I reported to sick bay on my ship, the U. S. S. *Wallace L. Lind* DD 703. The doctor in diagnosing the case sent bowel specimens to the laboratory for analysis to determine if intestinal parasites could have caused the pains. The results were negative. During the interim between the medical examination and obtaining the results of the laboratory tests, I continued to have the pains; however, I received no treatment.

I had another severe attack in the abdomen on September 20 and was unable to move. I was taken to the naval dispensary in Algiers, La., in an ambulance. The duty medical officer examined me at 2 a. m. and at 2:10 a. m. I was out of his office. His examination was limited to the chest and stomach. In the meantime the pains subsided.

On October 10 I again felt distressing pains and reported to sick bay aboard ship to the chief pharmacist's mate, but no treatment was given. I continued to perform my duties, but never felt well.

On April 4, 1949, while in port in Algiers, La., I reported to the same ship doctor with the same complaint. The doctor told me that I would be sent to the dispensary just as soon as the ship returned from cruise. The cruise to Tampico, Mexico, started the following morning and took 12 days. On April 14 I felt severe pains in my abdomen, with diarrhea and nausea, and reported again to the chief pharmacist's mate who immediately took my temperature and white blood count. My temperature was 102 degrees and my white blood count very high.

The pharmacist's mate informed the doctor who was on a destroyer en route with our ship and the doctor was put aboard ship. His diagnosis was acute appendicitis. Ice packs were applied and penicillin injected. The captain of the ship, Commander Robert E. Wheeler, and the doctor agreed, if necessary, to send a plane to ship and take me to the nearest hospital. One hour later my temperature began to recede and the pain to subside, so the doctor recommended that I stay aboard ship for the 2 days until we reached home port at Algiers, La. When the ship arrived in port I was transferred to an ambulance and taken to the dispensary. The pharmacist's mate at the dispensary again took my blood count and temperature and I was told to go to bed. The following morning I was examined by a Lieutenant John, and the next day I was allowed to get up.

With acute appendicitis I was ordered to take a train to Pensacola, Fla., the location of the nearest naval hospital. No medical officer or medical attendant accompanied me. I arrived at the United States naval hospital on April 19, and was confined to bed. On April 21 an appendectomy was performed by Lieutenant Mullens and Commander Berley, lasting approximately 30 minutes. The anesthetic began to wear off after 10 minutes on the operating table. How I endured the pain attendant thereafter, I cannot express adequately.

The following morning I was permitted to get up, but I felt hot and dizzy and returned to bed. The following week I felt good, but had pains and a temperature. Seven days

after the operation I had severe abdominal pains. Drs. Mullens and Berley were sent for. They examined me. I was X-rayed and a suction hose put into my stomach. I was given streptomycin and penicillin injections night and day. After 10 days of Wagonstien suction and intravenous feeding I was allowed to get up and move about a little. Approximately 2 weeks later I was given a barium enema and GI (gastric intestinal) series of X-rays by Lieutenant Commander Fredio, to determine pains in the abdomen. The results showed abscess of the lower intestine. Four days later I was operated on to remove abscess by Captain Moon and Commander Berley.

During the operation a wall of peritonitis covering the stomach was discovered. My wife was notified by telegram that I was in critical condition.

In the course of 2 months I had lost 40 pounds and suffered beyond words. Fifteen days after the operation I was allowed to stand, but I couldn't stand alone. Soon I gained a few pounds and started to regain my strength. On June 27, 1949, I was returned to duty and on July 1, I was given an honorable discharge from the service. I can quote one of the doctors as saying "He's a miracle of modern medicine."

I firmly believe that if I had been thoroughly examined and given proper treatment from the onset of this condition, all the pain, suffering, and time lost from duty could have been avoided. Also, if the doctors at Pensacola, Fla., had taken more precautions in the removal of my appendix, the peritonitis which nearly caused my death would not have developed.

I have lived to tell this story and I wish that it will, in some small measure, be brought into the limelight so that the young men still in the service will not suffer as I did through lack of prompt and proper medical attention.

Sincerely yours,

LOUIS J. ANKNEY.

PUBLIC IMPROVEMENTS IN ALASKA

Mr. SABATH. Mr. Speaker, I call up House Resolution 279 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution makes in order consideration of the bill (H. R. 940) to authorize public improvements in Alaska and for other purposes, and involves certain construction near the city of Anchorage. There is provided 1 hour of general debate, after which the bill will be read under the 5-minute rule for amendment.

This project, which is recommended by the Department of the Interior, will cost a little over \$21,000,000.

The purpose of this bill is to authorize the construction of the Eklutna project near Anchorage, Alaska, and to authorize continuing investigations as to further possibilities for the development of the Territory's natural resources and their beneficial uses. The evidence before the Committee on Rules disclosed that for 82 years the Territory has operated largely as a frontier economy. Since the Second World War the city of Anchorage has grown from 3,500 to 30,000 population. It is apparent now, in postwar appraisal, that the security of Alaska is essential to the security of the United States, and the development of the economy is necessary to the strengthening of the national economy. In order to fulfill its proper role, Alaska must have more people, more railroads, more roads, more power, and more industries. Such improvement will aid in raising the Territory from its present frontier status to a self-sufficient economy.

In those parts of Alaska where improvements are urgently needed, there are now six small, publicly operated and five small, privately operated sources of power. In the construction of these power facilities, provision was made to take care of immediate power needs, without planning for the future demands. As a result, the power available is not sufficient to maintain adequate service at the present time.

The Committee on Public Lands felt that it is important to the strengthening of the national economy and to the protection of our security that the settlement and the development of Alaska be encouraged and facilitated. In order to accomplish those ends, it is essential that power facilities be provided under the program of the Department of the Interior, with its responsibility for the Territory of Alaska. This bill will bring about the further development of Alaska.

This bill has the unanimous approval of the Committee on Public Lands, and although there is some disagreement as to who should construct this power plant, I nevertheless feel that the Department can work this out, and I shall not interfere.

I am doing my duty in presenting the rule and feel that it should be adopted and the bill passed.

Mr. Speaker, I now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, there is no opposition to this rule and I am certain there is no opposition to the bill. The intent is to strengthen the economy of Alaska by developing this power, and so forth, to protect us and the people of Alaska from a military standpoint.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. PETERSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 940, with Mr. SIKES in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. PETERSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill under consideration proposes to meet the critical power shortage which now exists in the Territory of Alaska. The bill was drafted after conference with the Department of the Interior and after conference with and report from a representative of the armed forces in that area. This project is greatly needed. We studied a much larger over-all problem, but we finally decided to authorize the specific project outlined here. We threw around it certain safeguards, and there is no controversy about the project. The Members on both sides supported it, and it has the unanimous report from the committee and from the departments involved. We cut out the recreational features. We provided for reimbursement over a period of 50 years with an interest rate of 2½ percent; in other words, we put more strict provisions in this project than in many others. I anticipate no objection.

While I am on my feet I might say this, in order to save the time of the committee in the consideration of the bill I have placed various committee amendments into one amendment, and at the proper time we will offer it, so we will not be bothered with a number of amendments. It provides for reducing the amount, period of amortization and that sort of thing.

Mr. Chairman, I now yield to the Delegate from Alaska [Mr. BARTLETT] 12 minutes.

Mr. BARTLETT. Mr. Chairman, passage of H. R. 940 would provide the means whereby the existing deficiency in the amount of electric energy available for Anchorage, Alaska, and the surrounding areas could be ended.

I hope the House will pass this bill.

It provides the first well-thought-out plan to meet in a coordinated fashion the requirements of that region for power.

H. R. 940 was unanimously approved by the House Public Lands Committee. H. R. 940 gives the Secretary of the Interior, in furtherance of his duties in promoting the development of Alaska, authority to construct and to operate and to maintain hydroelectric power projects in the Territory of Alaska. Under the provisions of the measure no such project could be undertaken without expressed approval of the Congress. However, the Secretary would have continuing authority to make investigations and to report his findings to Congress.

The bill specifically approves the Eklutna power project at a cost of \$20,365,400. A committee amendment, adopted at the suggestion of the Bureau of the Budget, deletes the sum of \$1,215,500 for recreational facilities. As originally reported by the committee the bill provided for repayment of the \$20,365,400

in 52 years. Another amendment reduces the payment period to 50 years. I am told by Mr. Joseph M. Morgan, Chief of the Alaska Investigations Office, that the project can pay out in 50 years.

It should be emphasized, then, that every penny authorized to be appropriated in this bill will be repaid to the United States Treasury with interest.

It is set forth in the bill that power would be sold "so as to encourage the most widespread use thereof at the lowest possible rates to consumers compatible with the maintenance of adequate electric service." The importance of this provision cannot be overemphasized. That is because power rates in Alaska up to now have been necessarily very high. There is every good reason to believe that they can be materially lowered through construction of the Eklutna project, thereby attracting industry, saving money for the Federal Government agencies concerned and removing some of the financial load from the domestic users of electric energy.

The bill would make possible construction of a power plant of 30,000 kilowatts capacity. It is interesting to note that the existing kilowatt capacity in all of Alaska at this time, public and private, hydro and steam and Diesel, is only 55,371. So the existing capacity will be materially enlarged when Eklutna has been completed. It is estimated that every last kilowatt produced at Eklutna could be sold by 1954, and it is not likely that the plant would be ready for service much, if any, before that time.

In the meantime Anchorage, the fastest growing city in Alaska, will be obliged to struggle along as best it can. There is now an almost appalling lack of power. The communities, the Federal agencies, and others have made valiant efforts to struggle along as best they could under the weight of the loan which has been thrust upon them. Until Eklutna has been completed there will be further interruptions of service, further rationing of energy, and continuing failure to serve areas which are in need of service. But, at least there will be the heartening knowledge that Eklutna will before too long be supplying the power so badly needed, not only at Anchorage alone but for the surrounding area, the military, and the other Federal agencies.

I should mention here that this bill is before you primarily because of the interest in the development of Alaska taken by the gentleman from Iowa, Hon. BEN F. JENSEN. When Mr. JENSEN was chairman of the Interior Department Appropriations Subcommittee, he was largely if not altogether responsible for inserting in the appropriation bill an item of \$150,000 for investigation of Alaska power resources. Representative JENSEN had been to Alaska and had correctly judged that one of the compelling present needs, as well as one of the absolute requirements, in the development of the Territory was early utilization of the rich and almost uniquely abundant water power resources. Likewise it was apparent to him that no private capital was available for hydro development.

Following the appropriation of the \$150,000 an Alaska office was established.

In almost record time Mr. Morgan and his associates made an exhaustive investigation of the Eklutna project. As a result, a most comprehensive report on Eklutna has been written and approved by the Secretary of the Interior and by the Bureau of the Budget. It was on the basis of that report largely that the House Public Lands Committee was persuaded that H. R. 940 should be favorably reported to the House.

It is not intended that H. R. 940 would extend the irrigation and reclamation laws to Alaska. The measure's provisions are specific—to give the Secretary of the Interior authority to investigate on a continuing basis, and to construct the Eklutna plant. It should be further noted that the authority for construction is not delegated specifically to the Bureau of Reclamation but is conveyed only to the Secretary of the Interior.

At the present time utility systems, all of them public, in the city of Anchorage and the Matanuska Valley have a production capacity of only 8,625 kilowatts. This is far, far short of the actual need.

There will be no competition with private industry if this measure is enacted, if the appropriation is made and if the Eklutna plant is built. The truth is that private capital is simply not available on the scale required here. I have never heard of any interest on the part of private capital to enter this field, and I am sure there is no such interest. Only public systems are now furnishing power to the area which would be served from Eklutna.

The principal systems in Alaska at this time happen to be owned by two gold-mining companies. The Alaska Juneau Gold Mining Co. at Juneau has hydro and steam plants capable of generating 21,725 kilowatts. The United States Smelting Refining & Mining Co. at Fairbanks has a steam plant with a capacity of 9,500 kilowatts. In all of Alaska private plants can furnish only 35,931 kilowatts and public plants only 19,440. Everywhere—and this is almost literally true—there is deficiency in plant capacity. Industry cannot be attracted if power is not available. And it must be available at reasonable rates. In this field the Government can be of material assistance. The water power found in so many parts of Alaska is now going to waste almost entirely. It should not be so wasted. It should be put to constructive use so that industry would be attracted, so that population would grow, with accompanying benefits to the Territory and to the United States as a whole. Up to this time the Government, in contrast to the policy so long and so widely accepted in development of the West's water-power resources, has not put a thin dime into development of Alaska's water power. The start should be made now. It should be made with enactment of H. R. 940. As the report of the committee points out:

It is apparent now, in postwar appraisal, that the security of the Territory is essential to the security of the United States, and the development of its economy necessary to the strengthening of the national economy. In order to fulfill its proper role, Alaska must have more people, more railroads, more roads, more power, and more

industries. Such improvements will aid in raising the Territory from its present frontier status to a self-sufficient economy.

Alaska is a land rich in natural resources. If its potentialities are to be realized and its resources developed, hydroelectric projects must be constructed and operated. Cheap and abundant power will attract major industries to Alaska. Veterans and other persons will be encouraged to become permanent residents. Power will further the self-sufficiency of the Territory's defense installations.

The report goes on to point out that Lt. Gen. N. F. Twining, Commanding General of the Alaskan Command, has in a letter addressed to the Secretary of the Interior under date of November 19, 1948, called attention to the high desirability of bringing the water-power resources of Alaska into useful service. It would be well here to quote from General Twining's letter:

My responsibility as the unified commander of the armed services in Alaska requires that I examine all of the factors which affect the national military establishment within the Territory. It is quite evident that the over-all defense of Alaska depends upon two closely interrelated factors, the military facilities and installations available to the armed forces and the civil resources of the Territory.

To the extent that civil facilities are developed to a level which will permit a self-sustaining economy and a full development of the natural resources of the Territory, the expenditures for purely military works may be reduced. The benefit to the national economy of such a reduction in military expenditure is obvious.

A review of the various programs proposed for implementation by the Department of the Interior indicates that a number of these would, if implemented, strengthen the internal economy of Alaska, and thus tend to reduce the investment in military works without a corresponding reduction in defense capabilities.

Cheap and dependable power is a necessity for the development of any community. Only minor development of hydroelectric power has taken place in Alaska and yet a potential exists which has been described as almost unlimited. A program for the development of hydroelectric power in the Anchorage area would undoubtedly result in a major improvement in the economic condition of this part of the Territory.

The plan recommended by the report of the Alaska Investigations Office calls for the construction of a low dam which would raise the level of Eklutna Lake by 2 feet. A tunnel $4\frac{1}{2}$ miles in length would be provided to lead from the lake through the mountain to the north. The penstock would be 1,250 feet long and at the base of the mountain would be the power plant of 30,000 kilowatt capacity. Transmission lines would lead from the plant to load centers in the Matanuska Valley and also to the city of Anchorage.

The total estimated cost takes into account Alaska differentials and price levels.

It is estimated benefits would exceed the project cost in the ratio of 1.7 to 1.

History shows that the area in which it is proposed to build the dam was first visited by traders and trappers in the latter part of the eighteenth century. It was not, however, until Anchorage was founded during the construction period of the Alaska Railroad in 1915 that there was any substantial settlement in

the area. Even as late as the fall of 1939, when the last census was taken, the population of Anchorage proper was only 3,490 persons. It was after that that Fort Richardson, close to the city, was established, and that rapid growth started. It is impossible, of course, at this time to state what the exact population of Anchorage and the immediate vicinity is. That will be disclosed in the census of 1950. Population estimates for Anchorage proper at this time range from 20,000 to 25,000 and it has been said that as many as 45,000 persons, exclusive of military, are now living in that immediate area. It is unnecessary to point out what this rapid and heavy growth in population has done by way of putting a strain upon all public utilities. Anchorage now has a small hydro plant at Eklutna which produces 2,000 kilowatts. There is a Diesel plant, likewise operated by the city of Anchorage, capable of producing 1,300 kilowatts. In its extremity the city was forced after the end of the war to acquire the stern half of a wrecked tanker. Its boiler and generating equipment have been used to furnish additional power but the operation is expensive and entirely unsatisfactory. The Alaska Railroad has a steam plant of 600-kilowatt capacity but it is so old and deteriorated that it was not operated for 10 years until it was called upon in the postwar period to meet urgent demands when the demand upon the Anchorage public utilities was such that the load was too great. Military authorities were forced to provide a generating plant at Fort Richardson instead of obtaining energy from Anchorage public utilities as they desired. Even so, the military needs for power are still great. The entire Matanuska Valley is forced to rely upon Anchorage public utilities. Ever since 1941 there has been a need for power which could never be met by existing facilities. Every day the situation becomes worse. By every logical test it would seem that it would be appropriate for the Federal Government to come to the rescue of the area. The propriety of doing so is made altogether evident by the fact that the money provided for the proposed installation at Eklutna would come back in full to the Treasury in many ways—first by direct repayment; second by payment of interest; and third, and even more important, by providing an essential whereby the entire area could develop on a more orderly basis.

The famous Matanuska Valley is some 50 miles northeast of Anchorage. Palmer, with a population of about 1,000, is the supply center for the valley. The entire valley probably has a population now of about 4,500. That population is increasing fairly rapidly.

Eklutna Lake is in the Chugach Mountain Range at an elevation of 868 feet. It is about halfway between the Matanuska Valley to the north and Anchorage to the south. It is reached by a road which extends for a distance of 10 miles from the main Anchorage-Palmer Highway. The access road turns off the main highway 26 miles north of Anchorage. Eklutna Lake has a maximum depth of 200 feet and is approximately 7 miles long and 1 mile wide.

The record high temperature for the Eklutna area is 92 degrees Fahrenheit, and the record low minus 37 degrees. Annual precipitation is between 14 and 16 inches, and thus the region can be designated as being semiarid. Precipitation is heaviest during the late summer period. The growing season in the Matanuska Valley averages 108 days a year.

The temperature extremes at Anchorage demonstrate the similarity of the climate to that found in many sections of the United States. This is illustrated by the following table:

City	Years record	Maximum temperature	Minimum temperature
Anchorage, Alaska.....	29	92	-37
Butte, Mont.....	40	100	-52
Salt Lake City, Utah.....	40	105	-20
Cheyenne, Wyo.....	40	100	-38
St. Paul, Minn.....	36	104	-41
Detroit, Mich.....	40	105	-24
Chicago, Ill.....	40	105	-23
Lake Placid, N. Y.....	30	94	-39
Hanover, N. H.....	40	101	-37

The future of this region is founded upon a sound basis. Agriculture is flourishing there, as is livestock raising. Gold mining is of importance in the Willow Creek district and will, when there is a lowering of present production costs which have been so detrimental to gold mining, be accelerated with the availability of cheaper power. Lumber mills are located in the area and fishing and canning of fish constitute a very important industry. Trapping and fur farming play their part in the economic well-being of the people there and serve to assist in stabilizing business.

There is no doubt whatsoever that entirely aside from military spending this region will continue to prosper and continue to grow. That prosperity will be all the easier if cheaper and abundant power is made available.

Estimated annual cost of operation and maintenance of the project is set at \$158,300. Estimated annual replacement costs are set at \$72,600. Direct benefits are estimated at \$1,015,200 annually over a 50-year period. In addition, there would be indirect benefits brought about by savings to power users and increased income to distributors and to consumers through extra use of electric power. Indirect benefits would be \$748,500 annually.

It is estimated that the saving to the armed services through lower power costs over a 50-year period would be \$5,000,000. A saving of \$5,500,000 over the same period would accrue to the Alaska Railroad. The estimate was made that savings to the Civil Aeronautics Administration over the 50-year period would be \$2,500,000 and to the Alaska Native Service, the Post Office Department, the Weather Bureau, and other Federal agencies \$500,000 for the half century. The saving to the community of Anchorage for 50 years would be \$18,750,000 and to the Matanuska Valley \$5,175,000. Based upon retirement of the cost in the 50-year period the Alaska Investigations Office, taking into account all possible costs, calculated that power could be supplied at 8.57 mills. It is hoped, however,

and even expected, that this cost may be lowered. Hon. Ernest Gruening, Governor of Alaska, City Manager Donald R. Wilson, of Anchorage, and others testified before the Public Lands Committee in favor of H. R. 940. There was no adverse testimony.

Mr. Chairman, passage of this bill would be a material step further in carrying out the Alaska development program which President Truman urged in his special message to Congress on Alaska in May 1948. It would do as much as any one thing could to aid in the development of south central Alaska. It will harness and put to work the magnificent water-power resources of Eklutna Lake. It will promote the economy of Alaska and of the Nation. It will not cost the taxpayers a single penny. I hope the bill will pass.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. KEATING. Do I understand that this Eklutna project is intended to supply power to our military installations there?

Mr. BARTLETT. Our military installations in and about Anchorage, the city of Anchorage, and the suburban area, and the farming area in the Matanuska area. Also gold mines and possibly other mines that will be developed in the Willow Creek and other districts.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. KEATING. How far from this project is our military installation?

Mr. BARTLETT. About 35 miles.

Mr. KEATING. And how is it now served?

Mr. BARTLETT. The military put in a steam plant of its own, on account of the power deficiency existing. Our understanding is that that is a rather expensive proposition and that the military is anxious to come in under the Eklutna project. The report carries a letter from General Twining, commander in chief of our armed forces in Alaska, urging that this be done, partly, of course, on account of the military need.

Mr. KEATING. Was it the saving to the armed forces, in reduction of the expense of furnishing facilities, to which you referred in your remarks a few minutes ago, in that it would cost less to furnish power from this project than it would from the present steam project?

Mr. BARTLETT. Yes. The saving might be far, far more than I quoted, but that would be the saving that can readily be estimated between the cost of the Eklutna power and the cost of the power that they are producing by the steam plant. Of course, if they had to put in more steam plants, the saving from the Eklutna project ought to be larger.

Mr. TACKETT. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. TACKETT. Does this bill provide by what method the power is going to be generated?

Mr. BARTLETT. It is going to be generated by the Federal Government.

Mr. TACKETT. But would it be hydroelectric power dams or by steam plants?

Mr. BARTLETT. Oh, entirely by a hydroelectric plant. The lake from which this power would be derived now furnishes some power for Anchorage, but it can be developed on a much larger scale as is proposed by the bill.

Mr. KEATING. Mr. Chairman, will the gentleman yield further?

Mr. BARTLETT. I yield.

Mr. KEATING. I understood in the gentleman's remarks a few moments ago that it would be provided that this \$21,000,000 authorized to be appropriated would be paid back out of the project. Is there anything in the bill to that effect?

Mr. BARTLETT. Yes. It is provided that it shall be altogether reimbursable. As a matter of fact, when the amendments are offered, the amount will not be \$21,000,000. It will be \$20,000,000, because the recreational feature, which would have been nonreimbursable, was stricken in the committee.

Mr. KEATING. In other words, this \$21,580,000 is the total cost of the project?

Mr. BARTLETT. That is the total cost of the project, or more correctly the total sum is \$20,365,400, since \$1,215,500 for recreation was deleted.

Mr. KEATING. And a million dollars of it is assessed to the recreational feature?

Mr. BARTLETT. It will not be, because the committee struck that provision from the bill. So there will be no appropriation whatsoever for recreational features, and all the money authorized to be appropriated will be reimbursable.

Mr. PETERSON. Mr. Chairman, will the gentleman yield to me?

Mr. BARTLETT. I yield.

Mr. PETERSON. After the committee went over the bill thoroughly, we adopted an amendment taking out the recreational part bodily. Reference to that is stricken. The appropriation is reduced from \$21,589,000 to \$20,365,400, where it appears in both places in the bill.

Mr. KEATING. That improves the situation to the extent of, roughly, a million dollars, but where in the bill does it say that this will be paid back and how it will be paid back? That is not clear to me.

Mr. PETERSON. In one of the amendments which we have to offer, it includes amortization of that portion of the capital investment properly applicable to each transmission unit over a period of 50 years, and the payment of interest on the unamortized balance.

Mr. KEATING. That will be included in the amendments which the gentleman will offer?

Mr. PETERSON. Yes. That was adopted after consideration by the committee and conference with the Budget.

Mr. KEATING. But it is not in the printed bill?

Mr. PETERSON. No.

Mr. TACKETT. Mr. Chairman, will the gentleman yield further?

Mr. BARTLETT. I yield.

Mr. TACKETT. On line 3, page 2, the bill reads:

Construct, operate, and maintain hydroelectric power projects (including other facilities which may be efficiently combined therewith).

That could very well be a steam-power unit, could it not?

Mr. PETERSON. Two would be a limitation on that. You will notice there is a limitation when it says "other projects"; but no other projects can be authorized until they are reported actually to Congress and especially authorized by Congress.

Mr. TACKETT. But this bill does provide that money can be used to construct, operate, and maintain hydroelectric power projects, including other facilities, does it not?

Mr. BARTLETT. I think that was to include transmission lines and other like appurtenances. There was no thought or no discussion in the committee of authorizing the Secretary to do other than construct and operate hydroelectric facilities.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. JENSEN. I must say that I am pleased that this bill has come before the House, for certainly, Mr. Chairman, if there is one place in the United States or any Territory of ours where electric power is needed, it is in the Territory of Alaska. There is great demand up there for power, and because of the fact there is no oil and very little coal, and what coal there is there is of very low grade, and because of the national defense situation, it is a national "must" that we have sufficient electric energy in that Territory, and this is the best way to get it. Private industry is in no position to spend the money which is necessary to furnish power to the Territory of Alaska at this time, and I believe that every Member of Congress and every American who knows the situation both from a commercial and a domestic and defense standpoint will agree that this hydroelectric plant at Eklutna is very necessary.

Mr. BARTLETT. I am deeply appreciative of the gentleman's remarks. He is cognizant of this situation, because he has been there and has seen it.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. DEWART].

Mr. DEWART. Mr. Chairman, I am glad to rise in support of this hydroelectric power plant. When the bill H. R. 940 was first submitted to our committee it contained a general authorization for the construction of hydroelectric projects and transmission facilities in Alaska. Our committee reviewed this bill and cut the legislation down to this one project. The Eklutna project in Alaska is as sound a project, I believe, as has ever come before our committee. The project is to take water from a lake nearly a thousand feet above Anchorage and above sea level, put a dam there to raise the level of the lake approximately 2 feet to provide about 123,000 acre-feet of water storage. This water is to be transferred through a

tunnel $4\frac{1}{2}$ miles long that leads to a penstock 1,250 feet long that drops it down approximately 840 feet to the power plant and then below that the tail-water provisions that are necessary in such a project. Then there will be the transmission line connections necessary to take this power from the generating plant to Anchorage, to the Matanuska Valley and to Richardson, where the Army and Navy development is now situated.

The original bill contained an authorization for considerably more than is contained in this bill. Our committee has cut it down so that the appropriation will be \$20,365,400. It is confined only to the project described in the Eklutna report and to the parts I have just listed.

It provides this money shall be paid back to the Treasury at $2\frac{1}{2}$ percent interest in 50 years.

The rate for the electricity will be approximately $8\frac{1}{2}$ mills for firm power and 4.8 mills for wholesale power, a reasonably low rate; in fact, a very reasonable rate for this kind of hydroelectric project.

There is no competition with private enterprise involved in this bill. The present power plant at Anchorage is a small one of approximately 3,000 kilowatts, owned by the city. The city has already been contacted and is ready to make some kind of an agreement whereby its plant will either be sold to the Government or maintained by the city itself in a stand-by condition to serve this particular area.

When the plant that is now owned by the city was built, there was a population of about 3,000 people, which has increased to, roughly, 20,000 or 25,000 people in the area, showing the need for the enlarged plant.

Mr. Chairman, this project meets every requirement of a sound federally constructed and federally owned project. As I have stated, it is sound from an engineering standpoint. The rates to be charged are such that the total investment will be repaid with interest to the Public Treasury within a reasonable length of time. It is needed by the people in that area and will serve approximately 25 percent of all the people in Alaska. It is also needed in connection with the national defense, the Richardson fortification being one of the largest in Alaska. In other words, by all measures, this is a sound project, one that Federal money can be used to construct from any standpoint from which it is examined.

I think the Congress would do well to support this bill, which was reported out unanimously by the committee. It is one I am very glad to support.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. DEWART. I yield to the gentleman from Maine.

Mr. HALE. I happen to be particularly interested in the constitutional question where a hydroelectric project is constructed without any element of flood control or navigation or anything of that kind. Did the gentleman's committee give any particular consideration to that point?

Mr. DEWART. We did not give particular consideration to that point. We

considered, however, whether it should be constructed by the Army Engineers or the Bureau of Reclamation. The report was submitted to the Federal Trade Commission, the Army Engineers, the Bureau of Reclamation, and the Federal Power Commission, and each of those agencies passed on the bill and certified to the need of it.

As to the constitutional question of a hydroelectric plant on a navigable stream, may I say that this is not a navigable stream. It is a lake above the ocean about 1,000 feet. A stream comes down from the lake, but is only a small one, and I doubt, therefore, since it is not a navigable stream, that the constitutional question that the gentleman has in mind would apply.

Mr. HALE. I think that very extensive projects, such as the Tennessee Valley Authority and similar projects, have been justified on the ground of flood control and navigation, the hydroelectric features being regarded as incidental. That would not be the case with this project?

Mr. DEWART. That is true. There you had navigable streams. In this case it is not a navigable stream. There is that distinction between the two projects.

Mr. HALE. I would seriously ask the gentleman's opinion on what basis the constitutionality of this statute is justified.

Mr. DEWART. The gentleman is over my head, I will have to admit.

Mr. HALE. Possibly some other member of the gentleman's committee can answer that question for me, because I do think it is a very serious one.

Mr. DEWART. It is my opinion, because the stream is not navigable, that that provision of the Constitution does not apply. However, I admit that the gentleman is over my head.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. DEWART. I yield to the gentleman from Pennsylvania.

Mr. FENTON. Can the gentleman tell us how long it will take to build this property?

Mr. DEWART. Can the Delegate from Alaska answer that question?

Mr. BARTLETT. It probably will not be completed until 1954, because construction could not well start until the spring of 1950.

Mr. DEWART. The principal engineering difficulty is the depth of the frost.

Mr. FENTON. As I understand this bill, you are seeking authority for a lot of investigation. Is it not true that appropriations have been made year after year for investigations of this sort?

Mr. DEWART. Appropriations were made prior to this report being made, and they were made for the purpose of investigating projects in Alaska, and this report was made pursuant to those appropriations.

Mr. FENTON. As I understand, each project approved by the Department of the Interior must come to the Congress for further observation.

Mr. DEWART. For the projects that are contemplated in this bill, on which studies will be made in the future, there will be further appropriations.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. DEWART. I yield to the gentleman from New York.

Mr. KEATING. I commend the gentleman's committee insofar as they have provided for the return of this investment with a $2\frac{1}{2}$ percent interest rate, and hope that the Committee on Agriculture may take a leaf out of that book. I am concerned, however, with the point raised by the gentleman from Maine, and I wonder if the chairman of the committee could give us any light on whether the constitutionality of this act is based upon the need for national defense or upon what does its constitutional validity rest.

Mr. PETERSON. The actual public needs in that particular vicinity together with the airport as well as military transportation needs, and so forth, in my opinion, would justify it under the Constitution, for there is no other method for meeting the actual needs in that area. Private industry has not stepped in, and we would gladly have them step in if they would.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, I take pleasure in recommending this project to the House for its approval. My particular interest in this matter is one of national defense. I think every person in this room knows that in the twenties General Mitchell, who at that time was the head of the United States Air Forces, predicted that if another war came, that Alaska would be very important. Today I think Alaska is one of the most strategic places in the entire world. Therefore it behooves us, if we want to maintain our defense in a strong position, and I think we all want to do that, that we develop Alaska as rapidly as we can. Every civilian installation will make Alaska stronger strategically. Increased population will add to our strength. This bill provides one way, in my opinion, in which Alaska can lay the groundwork for its statehood. If they can develop their resources through the efforts of the National Government and through Federal money, that will attract settlers to that part of the world.

One of my very best friends, a former mayor of a city in California, director of the California League of Cities, a colonel in the Army during this war, and later a civilian official in Austria with the military government working on their civil problems, has settled in Alaska. He has written me about the situation up there, and for this reason I am very anxious to see that this type of project be developed so people of his type will settle in Alaska. I have been told by people, who I think know, that the resources of Alaska are simply fabulous. All we need is money to start development, and each one will beg another project. Develop the highways, the streams, the electrical possibilities, forest, and other natural resources, and Alaska can be a very populous as well as a very rich place. So, primarily, from the standpoint of national defense, and I am on the committee that has the

security problems of the Congress in its lap, I most respectfully suggest that all of you support this very worthy project.

Mr. CRAWFORD. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I take this time to present this map of Alaska to the Members of the House so that you can get a rough idea as to where this plant is to be located.

Here we have Anchorage, which is the principal city at the present time insofar as seaport operations are concerned, with the Alaska Railroad, Government-owned, running from the seaport here at Seward on up to Anchorage and from there up to Fairbanks. Fairbanks and Anchorage together constitute the principal military bases in this section of Alaska. Of course when you get over to the vicinity of Nome, or near the Siberian border, you get into smaller defense plants, but the real ones are located at Anchorage and Fairbanks.

This electrical plant is to be located between Anchorage and Palmer, which is the center of the Matanuska Valley, about which we have heard so much in recent years, and where now profitable farming operations are carried on. The plant is being located about half way between Anchorage and Palmer in this general vicinity as I am indicating here on the map.

I join with the gentleman from California [Mr. JOHNSON] in pointing out the defense importance of the Territory of Alaska generally. Personally, I consider Alaska as the buffer state between Russia and the balance of the world, by reason of the important part the United States is playing in such agreements as the Atlantic Pact, the Marshall plan, and so on down the line. Personally, I should like to see 1,000,000 homesteaders in Alaska just as quickly as we can get them in there. I think the more people we have in Alaska the stronger will be our defense in that section of the world.

Further, I should like very much to see this Congress approve the Alaskan statehood bill. I think Alaska ought to have two Senators in the Senate and, based on the present population, one or two Members in the House who would have the power to vote. That is a vast empire with unlimited resources. We need Alaska as a State, in my opinion, more than Alaska needs to be a State of the Union. I think it is time for us to tie our resources and our people together, as you would tie a bundle of sticks together for strength.

Of course, I am supporting this bill. I have been all through the Territory, in practically every town of any importance. I have seen the needs of the people there. Private industry is not in a position to furnish the venture capital and risk capital to provide facilities of this kind. From the defense standpoint and from the standpoint of the welfare of the people of this country, I am certainly in favor of obligating the people in my district to carry their share of this undertaking. Altogether, I think it is a good bill, and I am sure the House will approve the bill.

Mr. PETERSON. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this matter has been presented by both sides and is one of those projects which, I am pleased, met with the approval of both sides. It is greatly needed and will contribute to the economy of that section. It is also greatly needed by the armed forces.

I have heard of no opposition from any source and I hope the bill will be passed unanimously.

Mr. Chairman, we have no further requests for time.

Mr. CRAWFORD. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That for the purpose of encouraging and promoting the economic development of the Territory of Alaska, as an aid in the development and efficient disposition of the public domain therein for agricultural, industrial, and other beneficial purposes in order to encourage veterans and other persons to become permanent residents, to encourage the establishment of essential industries in said Territory, and to further the self-sufficiency of national defense installations located therein, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized, subject to the provisions of this act, to construct, operate, and maintain hydroelectric power projects (including other facilities which may be efficiently combined therewith) in the Territory of Alaska.

SEC. 2. No expenditure for construction of any of such projects shall be made, nor shall estimates be submitted therefor, until and unless the Secretary in consultation with the Federal Power Commission shall have made an investigation thereof and submitted to the President and the Congress a report and findings that the proposed project has engineering feasibility, that the estimated cost thereof allocable to power can probably be returned to the United States in net power revenues, and that the benefits therefrom, to whomsoever they may accrue, are in excess of the estimated costs. Such investigations are hereby authorized.

SEC. 3. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such power and energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Each group of two or more projects as the Secretary may designate shall be considered as a consolidated unit in the preparation of such rate schedules and for purposes of administration. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. All receipts from the transmission and sale of electric power and energy generated at said projects shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from the receipts for each consolidated unit, and from the receipts for each project not included in a consolidated unit, a continuing fund of \$200,000 to the credit of the Secretary and subject to expenditure by him, to defray the operating expense of generation and transmission of such power and energy, to defray emergency expenses including expenses for such installations and connections as may be required to deliver power and energy from the transmission system, and to insure continuous operation.

SEC. 4. The Secretary is authorized to perform any and all acts and enter into such agreements as may be appropriate for the purpose of carrying the provisions of this

act into full force and effect, including the acquisition of rights and property, and the Secretary, when an appropriation shall have been made for the commencement of construction or for operation and maintenance of any of the projects herein authorized, may, in connection with the construction or operation and maintenance of such project, enter into contracts for miscellaneous services, for materials and supplies, as well as for construction, which may cover such periods of time as the Secretary may consider necessary but in which the liability of the United States shall be contingent upon appropriations being made therefor.

SEC. 5. The Secretary is further authorized and directed to make continuing investigations relating to further possibilities in the Territory of Alaska for the development of hydroelectric facilities (and other facilities which may be efficiently combined therewith) necessary to meet immediate and long-range requirements in the Territory of Alaska and to report thereon, with appropriate recommendations, from time to time to the President and the Congress. The Secretary shall transmit a copy of his proposed report to all Federal departments or agencies interested in the development of hydroelectric energy in Alaska. Within 90 days from the date of receipt of said proposed report the written views and recommendations of each interested Federal department or agency may be submitted to the Secretary. The Secretary shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of interested Federal departments or agencies. The first of such reports shall be submitted to the President and the Congress not later than 1 year from the date of enactment of this act.

SEC. 6. Wherever in this act authority is vested in, or functions are to be performed by, the Secretary, such authority may be exercised, and functions performed, through such agencies of the Department of the Interior as he may designate.

SEC. 7. Nothing in this act shall affect any authority or power of the Federal Power Commission under existing law.

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this act.

Mr. PETERSON (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, that the bill be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PETERSON. Mr. Chairman, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. PETERSON: Strike out all after the enacting clause and insert the following: "That for the purpose of encouraging and promoting the economic development of the Territory of Alaska, as an aid in the development and efficient disposition of the public domain therein for agricultural, industrial, and other beneficial purposes in order to encourage veterans and other persons to become permanent residents, to encourage the establishment of essential industries in said Territory and to further the self-sufficiency of national defense installations located therein, the Secretary of the Interior (hereinafter referred to as the 'Secretary') is authorized subject to the provisions of this act, to construct, operate, and maintain hydroelectric power projects (including other facilities which may be efficiently combined therewith) in the Territory of Alaska."

"SEC. 2. If, upon investigation and upon consultation with the Federal Power Commission, the Secretary finds that a proposed project has engineering feasibility, that the estimated cost thereof allocable to power can probably be returned to the United States in net power revenues and that benefits therefrom to whomsoever they may accrue, are in excess of the estimated costs, and the Secretary submits a report to the President and the Congress embodying such findings, the construction of the project shall, upon approval of such report by the Congress, be deemed authorized substantially in accordance with the plans and recommendations of the Secretary embodied in such report. No expenditures for the construction of any such project shall be made unless an appropriation for such construction has been granted by the Congress.

"SEC. 3. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such power and energy, including the amortization of that portion of the capital investment which is properly allocable to each generating or transmission unit over a period of 50 years from the time that that unit is first put into service and payment of interest on the unamortized balance thereof during the same period at the rate of 2½ percent per annum. Each group of two or more projects as the Secretary may designate shall be considered as a consolidated unit in the preparation of such rate schedules and for purposes of administration. Preference in the sale of such power and energy shall be given to all public bodies and cooperatives on the same terms, and to Federal agencies, and the power and energy shall be so disposed of so as to encourage the most widespread use thereof at the lowest possible rates to consumers compatible with the maintenance of adequate electric service. It shall be a condition of every contract made under this act for the sale of power and energy that the purchaser, if it be a purchaser for resale, will deliver power and energy to Federal agencies or facilities thereof within its transmission area at a reasonable charge for the use of its transmission facilities. All receipts from the transmission and sale of electric power and energy generated at said projects shall be covered into the Treasury of the United States to the credit of miscellaneous receipts, save and except that the Treasury shall set up and maintain from the receipts for each consolidated unit, and from the receipts for each project not included in a consolidated unit, a continuing fund of \$200,000 to the credit of the Secretary and subject to expenditure by him, and to insure continuous operation.

"SEC. 4. The Secretary is authorized to perform any and all acts and enter into such agreements as may be appropriate for the purpose of carrying the provisions of this act into full force and effect, including the acquisition of rights and property, and the Secretary, when an appropriation shall have been made for the commencement of construction or for operation and maintenance of any of the projects herein authorized may, in connection with the construction or operation and maintenance of such project, enter into contracts for miscellaneous services, for materials and supplies, as well as for construction, which may cover such periods of time as the Secretary may consider necessary but in which the liability of the United States shall be contingent upon appropriations being made therefor.

"SEC. 5. The Secretary is further authorized and directed to make continuing investigations relating to further possibilities in the Territory of Alaska for the development of natural resources and their beneficial uses necessary to meet immediate and long-range requirements in the Territory of Alaska and

to report thereon, with appropriate recommendations, from time to time to the President and the Congress. The Secretary shall transmit a copy of his proposed report to all Federal departments or agencies interested in the development of the Territory of Alaska. Within 90 days from the date of receipt of said proposed report the written views and recommendations of each interested Federal department or agency may be submitted to the Secretary. The Secretary shall transmit to the Congress, with such comments and recommendations as he deems appropriate, the proposed report together with the submitted views and recommendations of interested Federal departments or agencies. The first of such reports shall be submitted to the President and the Congress not later than 1 year from the date of enactment of this act.

"SEC. 6. The Eklutna project in the vicinity of Anchorage, Alaska, consisting of a low dam at Lake Eklutna, a diversion tunnel and penstock, a power plant with an installed capacity of 30,000 kilowatts, transmission lines to Anchorage and other load centers, and related works, is hereby approved for construction under the provisions of this act, substantially in accordance with the plans and recommendations in the report adopted by the Secretary of the Interior on January 18, 1949, on file with the Committee on Public Lands of the House of Representatives, at an estimated cost of \$20,365,400. Costs incurred for the provision of protective features that may be required in the interest of national defense and that are not included in the foregoing estimate of cost, shall not be reimbursable from power receipts pursuant to section 3 of this act. All minerals and veins or lodes thereof discovered in the course of investigating, constructing, and maintaining the Eklutna project are hereby reserved to the United States and may be sold or otherwise disposed of in such manner as may be prescribed by the Secretary. The waters of Eklutna Lake and its tributaries which are required for the operation of the Eklutna project are hereby reserved for that purpose.

"SEC. 7. Wherever in this act authority is vested in, or functions are to be performed by, the Secretary, such authority may be exercised, and the function performed, through such agencies of the Department of the Interior as he may designate.

"SEC. 8. Nothing in this act shall affect any authority or power of the Federal Power Commission under existing law.

"SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this act, \$20,365,400, for the construction of the Eklutna project, and, in addition, such sums as may be necessary to provide for the investigations, studies, and reports authorized by this act."

Amend the title so as to read: "A bill to authorize construction of the Eklutna project, hydroelectric generation plant and transmission facilities in connection therewith, and for other purposes."

Mr. PETERSON (interrupting the reading of the amendment). Mr. Chairman, in view of the fact that the amendment has already been explained, I ask unanimous consent that the further reading of the amendment be dispensed with, that it be considered as read and inserted in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PETERSON. Mr. Chairman, I have explained the amendment in my original statement. It embodies all of the committee amendments into one amendment. The purpose of the amendment is to reduce certain amounts. It cuts out the amount for recreation. It

provides for the amortization and interest requirements and provides that the charges shall be reasonable. It also provides priority of use of facilities for the necessary Federal and public purposes. The amendment has been put in this form for the sake of convenience. The amendment was agreed to by unanimous vote of the committee.

I hope the amendment will be agreed to unanimously.

The CHAIRMAN. Does the gentleman from Michigan [Mr. CRAWFORD] desire to be heard on the amendment?

Mr. CRAWFORD. No, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. PETERSON].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the SPEAKER having resumed the chair, Mr. SKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 940) to authorize public improvements in Alaska, and for other purposes, pursuant to House Resolution 279, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PETERSON asked and was given permission for all Members to have five legislative days within which to extend their remarks on the bill just passed.

EXTENSION OF REMARKS

Mr. DONOHUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include two editorials.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 5 minutes.

EDUCATIONAL REQUIREMENTS

Mr. CRAWFORD. Mr. Speaker, I wish to call the attention of the House to one of the most significant addresses yet made on the vital issue of academic requirements for the professions and the dangers inherent in the current practice of undue emphasis on the liberal arts as a prelude to the study of such subjects as engineering business management, and other careers. The address was made by Mr. John T. Kennedy at the recent commencement exercises of Benjamin Franklin University, Washington, D. C., of which he is president. Unfortunately, the address, which brings into the

open an issue that is important to the welfare and development of this country, has not been given the currency to which it is entitled and it is for this reason that I bring it here for discussion and comment.

The professional educators have run hog wild on the subject of academic degrees, freezing out of the professions hundreds of thousands of young men and women who are thus denied their right to social and economic advancement. Aside from the personal hardships worked on the individuals, this trend has blocked our national progress in most of the professions.

Mr. Kennedy points out the shocking fact that as a result of the unreasonable scholastic background required to enter our medical schools we have today one-third less physicians for every hundred thousand people than we had 50 years ago.

The educators, apparently aided and abetted by the Office of Education, which is a branch of the Federal Security Administration, have our students in an academic strait-jacket. We Americans boast of freedom of opportunity on the one hand while on the other we effectively deny the right to a majority of students to enter the professions.

The bold and startling fact is that most of the professions today are out of the reach of nine-tenths of our students.

We have made a fetish out of scholastic degrees, endowing the sheepskin with magic powers reserved for a minority. As a result of this infantile and idolatrous attitude we go a step further and believe that a business administration course taken at Yale or Harvard is far more excellent than the same course offered at a midwestern fresh-water university. Some officials in Government actually believe this nonsense with the result that in promotions the Yale or Harvard graduate is given preference in the selection for higher-salaried jobs.

As Mr. Kennedy points out in his address, this passion for the liberal arts degrees is spreading to industry and it may not be long before management requires a bachelor of arts from its clerks and foremen. There is no argument with the person who wants to concentrate and excel in the field of liberal arts. They are inspiring and stimulating courses but it must be borne in mind that the liberal arts course is not an end in itself nor will it equip the student for the everyday struggles of life. It is only when the professional educators begin requiring these courses for such professions and law and accountancy and even medicine that there arises the basis for argument. It is then that such courses become a hurdle on the road to the student's progress and, I think, it becomes the duty of this House, so far as it is in our power to remove these hurdles.

Not only are we demanding liberal arts courses for students entering medicine and law and other professions where the bachelor of arts degree of itself is worthless, but we have gradually adopted a phony system of accrediting our professional schools. While the Office of Education does not accredit our universities it does by implication give its blessing to certain schools while, by omission, it

blackballs other schools that are equally as well qualified. The Office of Education does this by issuing lists of schools which have been accredited by various self-appointed accrediting agencies.

It is most unfortunate that the Office of Education does not follow the lead of the Association of American Universities and drop the subject of accreditation altogether. That would be the honest and fair thing to do and I shall have more to say on this subject at a later date.

Dr. Henry M. Wriston, president of Brown University and president of the Association of American Universities, had this to say recently on the subject of accreditation:

Educational aims are getting more and more diverse. We have liberal arts and vocational schools; one is no more legitimate than the other—it is just different. If we are going to diversify in education as much as the President's report in higher education suggests, any approved list is liable to bring about a rigid pattern.

Following is Mr. Kennedy's very able address and I am sure that most Members of this House will agree with the point of view it expresses:

COMMENCEMENT ADDRESS OF JOHN T. KENNEDY, PRESIDENT OF BENJAMIN FRANKLIN UNIVERSITY, WASHINGTON, D. C.

During the past year a number of our leading corporations, notably General Electric, have been urging business executives to educate our people to the advantages of free enterprise. Others, such as General Motors, are sponsoring radio commentators who are undertaking such a program.

Tonight I wish to discuss the necessity of freedom of opportunity to free enterprise. Among the things which I urge be done is the restoration of more freedom of opportunity in certain of our professions, which freedom has been seriously impaired during recent years. So far as the interests of our people are concerned freedom of opportunity is the most potent weapon we have against communism. So far as your immediate interests are concerned the same methods whereby this freedom has been curtailed in other callings are now proposed for certified public accountancy and, indirectly, for executive accountancy.

The Communists cannot convincingly deny that freedom of opportunity is responsible for our higher standards of living. This is evident from two facts. First—it is the principal particular in which we differ from a number of nations which have not advanced. There are other sections of the world, notably Siberia, which have material resources comparable with ours. What these other regions did not have was freedom of opportunity. The second fact is that nearly all of our great leaders who built up our industries were born in humble circumstances. Only because of this freedom did we benefit from the genius and the talents of these leaders. Those benefits have taken the form of providing us with more of the luxuries and comforts of life than any other nation.

A recent magazine article recognizes the importance of this freedom to the cause of free enterprise. That article outlined the careers of a number of our industrial leaders who were so poor during their youth that they could not afford the costs of a college education. I ask you to remember this fact in connection with the one claim which the Communists can make which I deem the most dangerous.

This claim is that during recent years our professions have been adopting unnecessary requirements which can be met, ordinarily, only by the well-to-do and which are beyond

the means of 75 percent of our people. Indeed some of these requirements are so costly that not even the liberal allowances of the GI bill are sufficient to meet them. Moreover that bill now covers only a fraction of our youth.

Up until about World War I it was possible for a young man in the District to prepare for any major profession by spare-time study. During that period all of our District schools conferred professional degrees for professional training alone. No longer is it possible for a spare-time student here to prepare for medicine, pharmacy, dentistry, and a number of other professions. This is mainly due to the fact that those professions now require several years of study of liberal arts subjects which have no bearing upon the competency of a candidate to practice a profession.

The latest profession to adopt this requirement in the District is law. This happened just before the last war. Under this requirement the spare-time student of law must spend seven or more years in most intensive study about half of which is devoted to non-professional subjects. Since then one spare-time school has given up its law course. A second spare-time law school has given up indirectly by merging with a larger university. Two other spare-time law schools have such depleted enrollments that there is doubt whether they will survive after the GI enrollments cease.

Years ago when this movement was just beginning Dr. Russell H. Conwell expressed concern over its possible consequences. Dr. Conwell had founded Temple University primarily for spare-time students and he prophesied that these highly restricted requirements would mean the end of most professional opportunities for spare-time students. The history of this requirement in our professions has justified this fear. For the immediate effect is to cut down the number of spare-time students by about two-thirds and the ultimate effect, in most instances, is to eliminate the spare-time student altogether.

Yet it is proposed that this requirement shall be adopted for certified public accountancy.

Nor are the crusaders for this requirement satisfied with restricting opportunity in our professions. Some of them would also have our larger corporations adopt such a requirement for every worth while position.

Respecting these larger business organizations freedom of opportunity may be our only hope of averting socialization. Eric Johnston ascribes the spread of communism in Europe to certain restrictive competitive practices of large business organizations. Likewise Senator O'MAHONEY warns against these restrictive practices here in America. Fundamentally there is no difference between restricting opportunity in business competition, or in professional competition, or respecting advancement within a business organization. Obviously we should attack communism on all three of these fronts—fairer competition in business, freer opportunity in our professions, and meritorious advancement in our business organizations. Respecting the latter we should foster, within our large organizations, those individual hopes and individual incentives which characterize the pursuit of independent businesses. Manifestly such individualism is one answer to communism. For this reason it is fortunate that this movement to restrict opportunity in our business corporations has not yet made decided headway. By and large business managements are more concerned with specific results than with academic theory.

Specific results show that this requirement is not necessary for our professions and most business positions. Outstanding leaders in these fields did not meet this requirement. These include leading doctors, Presidents of

the United States, Justices of the United States Supreme Court, judges of other courts throughout the Nation, and leaders of the bar in various States. Moreover, most of the great business leaders of our Nation did not go to college. Insofar as certified public accountancy is concerned it has been estimated that 80 percent or four-fifths of our certified public accountants did not attend liberal arts colleges. This does not mean that they lack a cultural education for the good reason that an American high-school education is the equivalent of two or more years of college outside of America. To this I might add that your accountancy course consists of subjects prescribed by Plato for a liberal arts education which are not ordinarily taught in a liberal arts college.

Every impartial person agrees that those who have an aptitude for classical learning and who can afford to go to college should do so. From this it does not follow that those who cannot afford to do so should be kept out of all of our professions and out of all of our higher vocations. Such zeal for the liberal arts violates the Christian ideal of human brotherhood and is contrary to the American ideal that opportunity is a gift of God and not of man.

Our medical profession is a striking example of how denial of opportunity leads to socialization. Last fall our newspapers reported that 9 out of every 10 applicants for admission to the 4 medical schools in the District were not accepted. Presumably most of them had met the preliminary requirements. What happened here was repeated in other sections of the country. As a consequence tens of thousands of our youth, consisting mostly of veterans, were denied a chance to prepare for the medical profession.

These restrictions began with the requirement to which I have referred. Because of them there are now about one-third fewer doctors for each 100,000 of our population than there were as far back as 1900. Medical costs to our people have gone up abnormally. Beyond any reasonable doubt millions of our people cannot afford the cost of adequate medical treatments. Indeed there are some places in which adequate medical services are not available because of the scarcity of doctors.

To relieve this situation socialized medicine is now proposed. Thus our doctors are faced with the threat of losing freedom of opportunity to practice their profession independently. To be sure they may succeed in staving this off for a time and I hope they shall. But if British experience is any criterion there is strong doubt whether they can retain freedom of opportunity for themselves and deny fair freedom of opportunity for our youth.

Our professional men should heed the advice of two wise Americans. Benjamin Franklin said: "Serve self by denying self." In like vein William Allen White declared: "To have liberty we must give liberty."

Recent events in Great Britain clearly show how denial of opportunity leads to socialization. There they have an upper class system which has constantly denied opportunities to the masses of the people. For years those masses believed that their welfare depended upon the prosperity of those upper classes. As the result of two world wars, in which industry was of such vital importance, those masses learned how dependent the upper classes were upon them. Then the smoldering discontent of years of denial of opportunity burst into flames with the consequence that public utilities, banks, large industries, and certain professions have been socialized.

Those who believe that we can stop socialistic trends in our country by mere argument, instead of by more freedom of opportunity, may learn another lesson from British experience. Despite the fact that the British people love Winston Churchill, and

despite the fact that he is one of the most powerful political orators of our day, his arguments against socialism have been futile.

If our professional men and our business leaders are not alive to the importance of freedom of opportunity to free enterprise the Communists are. Back in the twenties the Communist Party was not making much headway here in America. So an agent was sent from Moscow to investigate. The New York representative of the party said to that agent: "We are not making much progress among Americans because every mother's son of them thinks he has a chance to be President."

What that Communist meant was that at that time most Americans believed they had a chance to rise to a higher station in life than the one in which they were born. Likewise at that time most Americans believed that if they missed out on that chance their children would have a like opportunity. Can we hope to preserve that spirit if profession after profession is put beyond the reach of 75 percent of our people?

In magazine articles some professional men have assumed that it is entirely proper to use professional requirements to reduce the numbers admitted to a profession. Some writers have gone so far as to suggest that the number admitted to law be arbitrarily limited. Surely those writers must know that, in effect, our Declaration of Independence proclaims that freedom of opportunity is a God-given right of which no man can be deprived without violating the will of the Almighty. They should be familiar with decisions, a number of which have been collected by Dean Richardson, which hold that this right is supported by constitutional guarantees. To be sure, this right is subject to regulation in specified instances but these are clearly defined.

According to these decisions the only justification for professional restrictions of any kind is the protection of the public respecting safety, health, physical property, and the general welfare. There are cases in which courts have refused to sanction restrictions for certain callings because those callings did not meet these conditions.

From a constitutional viewpoint, professional restrictions are not justified for the purpose of creating professional monopolies or protecting members of a profession from the free competition of free enterprise.

Those of you who go beyond the letter of the law to the spirit of our institutions will recognize that this principle applies just as much to business executives and executive accountants as it does to public accountants and professional men. Every appointment which is based upon pull or favoritism is a denial of somebody's freedom of opportunity. Likewise every appointment based upon merit is a fulfillment of someone's freedom of opportunity. The very freedom of opportunity which enables us to become employers or professional men carries with it the moral duty to respect the rights of others to like opportunities. So long as we are human it is not to be expected that this ideal will be carried to the point of absolute perfection. What we may reasonably hope is that it be not flagrantly ignored. If our professions continue to circumvent this constitutional right, and to deny opportunity to tens of thousands of our youth every year, they will be abetting those socialistic trends which may end all our freedoms.

By all means do as General Electric suggests. Tell the people about the advantages of free enterprise. But I urge you not to stop there. Those of you who enter certified public accountancy may do your part to promote the principle that every competent accountant of good character should have a fair chance to be certified. Those of you who enter executive accountancy may induce your organizations to make advance-

ment depend primarily upon merit. Likewise those of you who join societies of public and executive accountants may urge them to support those schools which are struggling to preserve opportunities for the spare-time student. By doing these things you will foster that freedom of opportunity which is indispensable to free enterprise.

(Mr. CRAWFORD asked and was given permission to revise and extend his remarks and include therein an address by Dr. John T. Kennedy, president, Benjamin Franklin University, Washington, D. C.)

EXTENSION OF REMARKS

Mrs. HARDEN asked and was given permission to extend her remarks in the RECORD and include therein an address by the gentlewoman from Ohio (Mrs. BOLTON) entitled "Women in American Politics."

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include therein certain extraneous matter.)

S. 1008 CAUSED STATEMENTS TO BE MADE IN DISCUSSION THAT SHOULD BE CLEARED UP

Mr. PATMAN. Mr. Speaker, there are two matters which would be clarified before the discussion on S. 1008 is concluded. The first subject concerns criticism of the fact that, as chairman of the Small Business Committee, I scheduled hearings at which opponents to S. 1008 could make themselves heard. The second subject concerns threats of reprisals by Members of Congress against witnesses from the FTC who appeared under subpoenas to testify at those hearings.

In House Resolution 22, creating the House Select Committee on Small Business, passed by Congress February 2, 1949, appear these words:

The committee is authorized and directed to conduct a study and investigation of the problems of small business, existing, arising, or that may arise, with particular reference to . . . whether agencies, departments of the Government, or Government-owned or controlled corporations are properly, adequately, or equitably serving the needs of small business.

In carrying out the purpose stated above, the committee is also authorized by the language of that resolution "to hold such hearings, to require the attendance of such witnesses, to take such testimony, as it deems necessary. Subpoenas may be issued under the signature of the chairman of the committee."

When representatives of small business organizations having thousands of members throughout the country came to me and asked for an opportunity to go on record as opposing S. 1008, their protests represented to me a distinct small business problem of a type which the Small Business Committee was specifically designated to study and investigate. I have been severely criticized for performing what I recognized as a duty in letting the small business side of the question be heard.

Proponents of S. 1008 also disputed my statements to the effect that no public

hearings were held on that bill. To complete the record on that point, here is a summary of the history of S. 1008, after Senator O'MAHONEY substituted a completely new text on the Senate floor:

May 31: Introduced on Senate floor by Senator O'MAHONEY.

June 1: Passed by voice vote of Senate as introduced by Senator O'MAHONEY and amended by Senator KEFAUVER.

June 6: Referred to House Committee on the Judiciary.

June 8: Executive hearing by Subcommittee No. 1 of House Judiciary Committee, with two witnesses: Senator O'MAHONEY and Herbert A. Bergson, Assistant Attorney General in charge of Antitrust Division.

June 14: Executive hearings before full Judiciary Committee, with Representatives PATMAN, EVINS, CORBETT, and VELDE.

June 21: Reported with amendments by House Judiciary Committee.

Two facts are obvious: Only two mornings of executive hearings were held on S. 1008, and no printed copies of those hearings were available for the use of the Members of this Congress. But of even more importance, no public hearings were held at which the representatives of the small-business segment of our economy could testify as to the effects of Senator O'MAHONEY's bill on their business operations.

It has always been an American tradition to let every man have his say on any question. That right of free speech and that opportunity of being heard must be protected by this Congress and by its committees. S. 1008 contained far-reaching changes in our antitrust laws, and the effect of each word of its text should have been amply and carefully discussed in open public hearings. If the pressure of particular interest groups is going to force this Congress to rush legislation through without adequate and proper consideration, then I fear that we are heading down a treacherous path which ended in disaster for Germany, Italy, and Spain. Each year monopolies grow stronger, and many corporations are now richer in assets than many of our State governments. If the weight of their power is beginning to be felt in this Congress to the extent that a bill such as S. 1008 can be pushed through with no public hearings, then the Members should be aware of the fact that 10 years from now we may look back on this period as the beginning of serious changes in our democratic way of Government.

The following remarks have been made on the House floor concerning the two Federal Trade Commission officials who under subpoena to the House Small Business Committee gave their personal opinions on the effects of S. 1008:

They had no right to make those statements in opposition before the committee presided over by the gentleman from Texas Frankly, the Federal Trade Commission should discipline these otherwise worthy employees of the Commission. I ask who is boss down at the Commission.

It is hard to believe that statement could have been made by a Member of the House of Representatives of the United States of America. Under section 192 of title 2 of the United States

Code, every person who has been summoned as a witness under a subpoena to a congressional committee and refuses to answer any pertinent questions "shall be deemed guilty of a misdemeanor, punishable by a fine of not more than \$1,000 nor less than \$100 and imprisonment in a common jail for not less than 1 month nor more than 12 months." By law then, the two Federal Trade Commission officials were required to answer truthfully when they were subpoenaed to testify on the effects of S. 1008. And both gentlemen made it very clear that their statements reflected only their personal views.

Mr. Walter B. Wooden, senior associate general counsel, Federal Trade Commission, who appeared under subpoena, made this statement at the beginning of his testimony before the committee on June 30, 1949:

I make this statement in my individual capacity as a citizen.

And again he said:

This statement is an expression of my individual personal views for which no one else has any responsibility. They carry no authority other than that of their intrinsic weight and involve no attempt to express or interpret the present views of the Federal Trade Commission.

Mr. Wooden was summoned to appear because for some 40 years he has investigated and analyzed price-fixing systems and practices. I felt that, in addition to the small-business groups which requested an opportunity to be heard, the Members of the Congress should have the benefit of opinions of an eminently qualified expert like Mr. Wooden.

The other Federal Trade Commission official who testified under subpoena to the committee was Mr. Everett MacIntyre, Chief, Division of Antimonopoly Trials, Federal Trade Commission. He made the following statements as part of his testimony:

I am appearing here under subpoena of the committee. Of course, it should be understood that the testimony I give on those subjects in response to your subpoena reflect my knowledge and views of the problem. It should not be taken as necessarily reflecting the view and opinion presently held by the Federal Trade Commission.

Mr. Lowell Mason, Chairman, Federal Trade Commission, was quoted by the *Journal of Commerce*, July 11, 1949, as having this to say on the same subject:

Mr. MacIntyre appeared as an individual, not as an FTC spokesman. He was not authorized to express FTC views. Nor did he do so, in my opinion. He only appeared before the Patman committee because he was subpoenaed and had no alternative. The Commission had no knowledge of what he would say. And if he represented that he was speaking for the FTC, then he would be subject to disciplinary action. But I don't think he did.

Mr. MacIntyre is another witness whose experience and background, in my opinion, gave great value to his personal opinion concerning the effects of S. 1008.

When the pressure from big business has subsided, I am sure that the Members will agree that much more extensive hearings should have been held on a subject as complex as that covered by S. 1008. Many small business witnesses who requested an opportunity to express

their opposition were left unheard by the sudden passage of the bill. We can only hope that the precipitate action by the Congress is an isolated instance and will not be repeated when big business is again hurt by a court decision and desires nullifying legislation.

On Monday Hon. Tom Clark, Attorney General of the United States, appeared before the subcommittee of the House Committee on the Judiciary on the study of monopoly power. Mr. Clark's speech is very interesting; in fact, I wish to commend him for presenting very difficult problems in a very clear and understanding way. I hope the committee having under consideration the constructive study of our antitrust laws will soon make recommendations. I know of a number of recommendations that I believe the committee can make that will help our antitrust laws and will help independent business generally, about which there would be little dispute. One thing in Mr. Clark's statement to which I wish especially to call your attention is that part in which he stated that through the first 50 years of the antitrust laws, in other words, up until 1940, 479 antitrust actions were instituted by the Government. In the last 10 years, from 1940 to date, 508 cases have been filed. In other words, more antitrust actions have been brought in the last 10 years than were brought in the entire preceding 50 years.

Mr. Clark does not say so, but during that time he was either head of the Antitrust Division of the Department of Justice or he was Attorney General of the United States; in other words, during the time that Mr. Clark has had charge of the enforcement of our antitrust laws, 508 cases have been filed, which are more than all the cases filed preceding that time under the antitrust laws. Now, I will read further the statement Mr. Clark made; I think it is rather interesting:

Even during the so-called trust-busting days of Theodore Roosevelt, a period which until about 10 years ago had reached the high-water mark of antitrust law enforcement, there were only six lawyers assigned to the enforcement of this law. At the present time the Antitrust Division has almost 300 lawyers. We have received generous support from Congress and this support is reflected in the results.

That antitrust enforcement is in direct proportion to the money allocated for it has been demonstrated by the record of the Antitrust Division during the past 2 years. During fiscal year 1948 we filed 34 antitrust cases. For the fiscal year 1949 we received an increase in our appropriation of approximately \$1,000,000 and were thus able to file 57 antitrust cases, many of which are among the most important cases ever prosecuted under the antitrust laws.

I commend this statement to you for very careful reading. It discloses some very helpful and interesting information. Mr. Clark made suggestions here that I think should receive the careful consideration of the committee that he appeared before, and also the consideration of all the Members of Congress:

STATEMENT OF ATTORNEY GENERAL TOM C. CLARK BEFORE THE COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES SUBCOMMITTEE FOR THE STUDY OF MONOPOLY POWER

I greatly appreciate the opportunity you have afforded me to discuss with you today a problem that is of transcendent importance

to the people of our country. That problem, the problem of monopoly power, is one that affects each and every citizen. The fundamental issue is whether the economy of this country is to remain free and competitive or whether it is to be subjected to private regimentation through monopoly control.

We have prospered and developed into the great Nation we are today through our free competitive enterprise system. President Truman in his Economic Report to the Congress last January emphasized this thought when he said:

"The resourcefulness of American business, the skill of our labor force, and the productivity of our agriculture have lifted our standards of living beyond any prewar expectation. We have achieved these blessings through the happy combination of our free institutions, our system of private enterprise upon which we primarily rely for economic results, our vigorous Government, and the mutual respect and trust that we all hold for one another."

As Attorney General and as a former Assistant Attorney General in charge of the Antitrust Division, I have become increasingly aware of the necessity for the antitrust laws and their vigorous enforcement as a bulwark of our system of free enterprise and as a safeguard for our fundamental freedoms.

Our great American society rests upon the idea of limited power. This philosophy is best expressed in our Constitution, the principal source of our cherished freedom. These moral concepts and this ideology of limited power apply to industry and every other segment of American society. Liberty is endangered when either economic or political power is concentrated in the hands of the few.

Most people in this country agree that they want free economic enterprise, full employment and equal economic opportunity. Unfortunately, many pay only lip service to the principle. If we believe in economic freedom, we must do what is absolutely necessary to make possible—that is, preserve, restore, and continually create competition.

I understand that it is the purpose of your committee to determine whether existing laws are adequate to achieve this objective and to recommend legislation to eliminate any inadequacies which may be found to exist. This is a worthy undertaking and I would like to congratulate this committee and wish it every success. I offer my complete cooperation and assistance in aiding your committee in the course of its important study.

Your study of monopoly power might well begin with a consideration of the economic concentration resulting from a war-time economy. Among the casualties of the war were thousands and thousands of small and independent manufacturing plants. The total number began declining precipitously immediately after Pearl Harbor, according to a study made by the Department of Commerce. Despite increased production during the war, approximately 17 business firms out of every 100 disappeared during those years. Moreover, there was a drift of workers from the small to the large corporations; 95 percent of the manufacturing firms lost 23 percent of their workers whereas 5 percent of the manufacturing firms gained 22 percent.

The exigencies of war production played into the hands of the big corporations. In 1941 less than one-half of 1 percent of our manufacturing firms had 75 percent of all defense contracts.

These are only a few examples to emphasize the seriousness of this trend toward economic concentration.

President Truman called attention to the situation in a message to Congress on January 6, 1947, in these words:

"During the war, this long-standing tendency toward economic concentration was

accelerated. As a consequence, we now find that to a greater extent than ever before, whole industries are dominated by one or a few large organizations which can restrict production in the interest of higher profits and thus reduce employment and purchasing power."

Although the generally accepted meaning of monopoly may be bigness, monopoly power, within the meaning of the antitrust laws, is the ability to impose unreasonable restraints on competition. Bigness in itself may not be unlawful. Bigness to be unlawful must include the power to determine prices without substantial regard to those pressures which normally affect price in a competitive market; artificially to allocate and limit production; to divide markets and fields of production; and to exclude competitors. "The material consideration in determining whether a monopoly exists" according to the Supreme Court "is not that prices are raised and that competition actually is excluded but that power exists to raise prices or to exclude competition when it is desired to do so."

Today monopoly power in this Nation seldom shows up in the form of one huge corporation dominating an entire industry. Instead, it is to be found in those industries controlled by a few large companies—the big threes or the big fours—following policies and practices which avoid any real competition among themselves and which at the same time enable them to maintain their dominant positions.

In those industries dominated by three or four companies, monopoly power may be exerted in many ways. The managers of those companies can operate largely on principles of monopoly secure in the knowledge that within reasonable limits the others will do likewise. If one company makes a price cut or increase, the others follow. If a company manager catches himself thinking about increasing production in a way that might threaten the comfortable and carefully nurtured price structure of the industry, that thought is followed by the more persuasive thought the others might retaliate.

In an industry in which monopoly power exists, those possessing that power can control prices by regulating production. When the price level in the industry produces satisfactory profits, there is no incentive to increase production. In a falling market, profits may be maintained by cutting production and employment rather than prices. In either situation, the American people—and the vast majority of American businessmen—suffer.

In such an industry smaller producers may exist only by sufferance of those possessing monopoly power. Their position in the industry is fixed and growing pains are quickly deadened by fear of antagonizing the big three or the big four. Any attempt by a smaller producer to cut the established price may be dealt with summarily. Sources of raw materials may be closed to him and purchasers forced to boycott him. In many instances, new producers dare not take the risk of entering the industry. For as the late President Franklin D. Roosevelt said, "Men will compete against men but not against giants."

On the other hand, in an industry in which there is no monopoly power, a manager who sees a profitable opportunity to expand production is not concerned about the effect of his prices on the price structure of the industry. Being unable to prop a falling price or to enhance a rising price by cutting production, he is ever watchful for an opportunity to reduce costs, expand production, and seek new markets. As a result, new techniques of production are evolved and the public benefits by more, better, and less expensive products.

I need not tell you that small business is the backbone of our economic democracy. It is usually the small-business man who is willing to take a chance, who dares to try something new, and thereby provides us with the development and advances which have characterized this country.

But, important as these material contributions of small business are, they are completely overshadowed by the significance of the small-business man as an essential element to our democratic way of life. We all have in us the inherent desire to avoid big government. We do not always recognize, however, that the main barrier against such controls are the economic influences that arise out of a well-balanced, healthy, competitive system.

The antitrust laws are an economic force designed to enhance the social welfare. Judge Learned Hand aptly expressed this concept when he said in the opinion in the Aluminum case "[in passing the Sherman Act], Congress * * * was not necessarily actuated by economic motives alone. It is possible, because of its indirect social or moral effect, to prefer a system of small producers, each dependent for his success upon his own skill and character, to one in which the great mass of those engaged must accept the direction of a few."

It is crucially important that the small-business man, who operates under our economic laws, maintain a dominant position in our economy and not knuckle under monopolies, who by manipulation control the economic laws instead of being controlled by such laws.

By the same degree in which the world has grown smaller in a military and political sense, so has it grown smaller in a business sense. Monopolistic tendencies are no longer confined to the boundaries of any one nation. And just as they thwart the progress of the common man in one country, so will they thwart his progress throughout the world.

The deadening influence of economic concentration is not new to our generation. Nation after nation throughout civilized history has reached its peak of glory only to fall again under the weight of its economic concentration. It was called by many names, but the condition was always the same—too much power in the hands of too few people.

Now the United States has risen to the pinnacle of its might and glory. It has attained this position through the sweat and toil of its citizens. Its people have supplied not only the ceaseless toil but the inspired leadership as well. Whenever the necessities required the emergence of a great leader, one has been supplied from the ranks—and often the lowest ranks—of our democracy. If we have demonstrated any single fact to the point of universal acceptance, we have demonstrated that there is nothing sacrosanct about inherited leadership. It is inconceivable that any system other than the democratic system could have given us a Jefferson or a Jackson or an Abraham Lincoln. We develop leaders only because we are a strong Nation and a free people. We must remain that way. The American system of free enterprise has been the backbone of our strength.

There is too much recent and tragic world history not to impress upon us the dangers in failing to meet the monopoly problem. In Italy, in Germany, in Japan the same disastrous cycle of events transpired. The forces of monopoly became so entangled in their own web of greed that they were forced to turn to a Mussolini, and a Hitler, and a Tojo to extricate them.

Surely history would record this as our blindest hour if we failed to learn those lessons which have been shown to us in the blood and suffering of all the world.

We, as a nation, need not fear strength from without so long as we avoid weakness from within. Internal decay is our greatest foe. That was the hope of the fifth columns,

it is again the hope of the proletarian dictatorship. We are expected to succumb suddenly to our own capitalistic system and we cannot afford to close our eyes to the dangerous symptoms now apparent. Weakness from within is the real economic cancer which attacks and destroys great nations. As President Truman said in his inaugural address, "If we are to be successful . . . we must keep ourselves strong."

We have witnessed this spectacle in other countries and we must be alert to the possibility of the pattern forming within our own gate. The first symptom is unhealthy economic concentration which if allowed to progress, furnishes a fertile field for Communist doctrine.

A most effective way to fight communism is by removing the injustices upon which communism feeds.

Revolution cannot be manufactured alone by a politburo in Moscow. Revolution springs from an ever-present sense of economic and social injustice—an absence of hope and of faith.

When these conditions of unrest are present, the philosophy of the alternative makes little difference. Infectious insecurity will find expression in whatever demagogic doctrine is handiest—be it communism or something else.

The answer to these threats is not found in denying the existence of injustices nor by denouncing those who offer an alternative. A peoples' aspirations toward justice, freedom, and opportunity cannot be curbed in this way. The answer—and the only effective answer—is to assure justice, freedom, and opportunity to all. This the American system guarantees. Our strength still rests largely in the fact that our Government is established for the benefit of all the people. We believe in human dignity. Monopoly handcuffs the individual and enchains democracy. It is a tool of totalitarianism.

We must have vision—hindsight combined with foresight.

Some people saw the inevitable approach of World War II, and as we read certain books today and see there the clear warning they gave us we cannot refrain from wondering at the world's blindness. We also have similar warnings concerning our domestic situation.

The members of the National Temporary Economic Committee, in making their final report in March 1941, said: "It is quite conceivable that the democracies might attain a military victory over the aggressors only to find themselves under the domination of economic authority far more concentrated and influential than that which existed prior to the war."

And again that Committee warned us that there was "no hope of preventing the increase of evils directly attributable to monopoly . . . unless our efforts are redoubled to cope with the gigantic aggressions of capital which have become so dominant in our economic life." Surely no warning could be more clear. And we must heed this warning if we are to survive.

The people of this country have a right to expect that a sincere and vigorous effort will be made to reverse the trend toward concentration of economic power. Americans must have free and unrestricted economic opportunity.

Unless that can be done, our way of life is in grave and increasing danger. Just 20 years ago we stood by helplessly and watched what your illustrious former chairman, Hutton Summers of Texas called "These voluntary guides who professed to know the way," as they led us into the most disastrous depression the world has ever known. It was serious then. We shall not permit a repetition now for that might be calamitous.

The strength of the world today depends to a major extent on the strength of the United States.

And the strength of the United States depends on the maintenance of a vigorous economy, free from the domination either of private greed or political dictatorship, but resting firmly on equality of opportunity in a competitive market.

This committee in the course of its study will undoubtedly inquire into the history and causes of economic concentration in the United States, and the extent and effects of that concentration. We should also know if the same forces which are supporting monopolistic trends in the United States are the supporters of the cartels of Europe. Monopolies and cartels don't just happen. They are carefully conceived and nourished by those who would substitute private control for competition.

A question you also will probably ask is—Are the antitrust laws effective; have they succeeded? A most significant fact, which in part answers this question, is that your committee is examining our economic practices within the framework of competitive principles. To my mind that is a clear demonstration that the Sherman Act has succeeded and is succeeding.

This success I am sure exceeds the expectations of those who enacted these laws. Certainly it is beyond the expectation of those critics who continually point to areas where competition is sluggish. Year after year they have made doleful predictions that our competitive system was riding to destruction. They are being made today. Nevertheless, I repeat, here we are, 60 years after the antitrust laws were passed, re-examining a system which is still fundamentally competitive. To my mind that spells out success, not failure.

The success of the antitrust laws is all the more significant when it is realized that, by comparison to the last 10 years, the first 50 years of their operation was largely a matter of sporadic and limited enforcement. There have, of course, always been in this country and in the Government individuals and groups who strongly urged more effective administration of the antitrust laws. I need not point out to you the direct relationship between effective enforcement of a law and adequate personnel and budget for its enforcement.

Even during the so-called trust-busting days of Theodore Roosevelt, a period which until about 10 years ago had reached the high-water mark of antitrust law enforcement, there were only 6 lawyers assigned to the enforcement of this law. At the present time the Antitrust Division has almost 300 lawyers. We have received generous support from Congress and this support is reflected in the results.

That antitrust enforcement is in direct proportion to the money allocated for it has been demonstrated by the record of the Antitrust Division during the past 2 years. During fiscal year 1948 we filed 34 antitrust cases. For the fiscal year 1949 we received an increase in our appropriation of approximately one million dollars and were thus able to file 57 antitrust cases, many of which are among the most important cases ever prosecuted under the antitrust laws.

Through the first 50 years of the antitrust laws, in other words, up until 1940, 479 antitrust actions were instituted by the Government. In the last 10 years from 1940 to date 508 cases have been filed. In other words, more antitrust actions have been brought in the last 10 years than were brought in the entire preceding 50 years.

You will be interested to know that our attention has been especially directed at the huge concentrations of economic power that threaten the economic democracy of this country. The heart of our antimonopoly program is the protection of the businessman and the consumer through the dispersion of monopoly power where it already exists, and

the dissipation of restraints of trade that lead to that monopoly power.

The restraints of trade—price fixing, patent and trade-mark abuses, cartels—are being attacked by seeking court injunctions which assure the end of such restraints, or by invoking the criminal penalties authorized by the Sherman Act.

When monopoly power actually is present and competition cannot be restored by less drastic methods, that power must be dissipated and rendered impotent. This can be accomplished only by the application of the remedies of divestiture, dissolution, or divorcement.

These remedies do not have as their aim the destruction of an industry. On the contrary, their aim is to restore active and vigorous competition to an industry that has become, in effect, under such centralized control as to have substantially eliminated any real competition. In seeking to split up monopoly power, it is the policy of the Antitrust Division to have each of the parts remain a strong, independent enterprise, capable of competing and of holding its own in the struggle for business.

We are proceeding actively with our actions to break up the aluminum monopoly; open up the channels of trade in the shoe-machinery industry, and break up the combines and integrations found in the movie industry. During 1949 we have brought action to compel the divorcement of American Telephone & Telegraph and its manufacturing subsidiary, Western Electric, which manufactures over 90 percent of all telephones, telephone apparatus and equipment sold in the United States. The suit further calls for the break-up of Western Electric itself into three competing concerns. Another pending case is the investment banking case in which we are seeking to eliminate a variety of restraints which have stifled competition in that field. We have also instituted an action against the 4 major meat packers, in which we seek to restore competition to the industry by dividing these defendants into 14 separate and competing companies. Only 10 days ago we filed what we consider one of the most important cases in the history of the Sherman Act when we instituted action to bring to an end the integration between three of the giants in their respective fields, namely, du Pont, General Motors, and United States Rubber Co. I could name many other examples in which we are currently attacking the monopolistic concentrations that threaten this country.

These are big cases. They will take time to try. It will cost money to try them. But they are of tremendous importance and significance to the welfare of this country. The issue in each is whether the economy of the United States shall come under the control of the few or whether it shall remain under the control of the many, operating democratically through the laws of competition.

The number of cases filed does not tell the whole story. During the fiscal year which ended on June 30, the Antitrust Division won 41 cases in the courts. Among these were the case against the Standard Oil Co. of California in which the Supreme Court held to be illegal exclusive-dealing contracts which the company had with some 6,000 independent filling-station operators; the criminal case in which the court of appeals held that A & P had abused its monopoly power; and the General Electric case in which a district court held that company, together with two others, had a monopoly of the incandescent-lamp business in the United States.

I do not want to suggest that the effectiveness of the antitrust laws is to be found solely in the cases prosecuted, any more than the effectiveness of a law against burglary is to be determined by the number of burglars who are apprehended and jailed. Like an

iceberg, the antitrust laws are seven-eighths under water. For every case in which an individual violates the law and is punished for it, there are hundreds of cases in which individuals who might otherwise engage in certain practices refrain from doing so because they are against the law. There are many others who amend their practices to conform to the law as it is developed through our cases. There is no way, of course, of evaluating the benefit to our economy from this aspect of antitrust law enforcement. We are ever vigilant to keep the channels of trade open so that every citizen may have the opportunity to enter the business of his choice without being subjected to an economic blackjack.

As a believer in democracy, I am greatly concerned by these current trends toward concentration and the increasing threats of monopoly. I am taken aback by the equanimity with which too many persons view these serious threats. It may be that they do not realize the seriousness of the situation. If that is so, this committee can perform a great service by letting the country know that it is, indeed, serious. Or it may be that the great majority of the people, including many in public life, are the victims of three assumptions—assumptions which, I am afraid, are as commonly held as they are erroneous. First, it is too often assumed that competition continues to thrive as long as there are at least two or three or four in the field. As I have indicated, in my opinion, this is not so. Secondly, it is assumed that the bigger the producer the better the quality of goods and the cheaper the price to the public. Thirdly, it is assumed that companies become big because they deserve to be big; in other words, that they outdistance their competitors because they do a better job, render greater service or furnish better goods. It may be that in some instances these assumptions are correct. Personally, I doubt if this is often true. In any event, this committee will have made a great contribution to the understanding of our economy if it can examine these matters and let the country know the truth.

It would be premature for me, at the outset of your investigation, to discuss in detail the suggestions that I might have or others might make, for legislation to implement the antitrust laws. Later on, you may desire to have the Department of Justice go into this phase of your investigation.

I wish to emphasize again the great service that your committee can render to this country by examining thoroughly the operation of the antitrust laws with particular reference to how they may be further strengthened. I shall follow your investigation with the greatest interest. I know the American people are equally concerned. The long-run welfare of this country will be very much in your hands during the next several weeks. I am being neither flattering nor over-optimistic when I say that I believe these difficult problems are in safe hands and that the responsibilities which your committee shoulder—and they are, I am sure you will agree, great responsibilities—will be discharged well.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HARRISON (at the request of Mr. ABBITT), for Wednesday, July 13, on account of official business.

To Mr. KEOGH, for Thursday and Friday, July 14 and 15, on account of official business.

To Mr. RIEHLMAN, for Thursday and Friday, July 14 and 15, on account of official business.

To Mr. HALLECK (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of illness in his family.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1803. An act to authorize the attendance of the United States Marine Band at the Twenty-third Annual Convention of the Reserve Officers Association of the United States, to be held in Grand Rapids, Mich., July 27 through July 30, 1949; to the Committee on Armed Services.

BILLS AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on July 12, 1949, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 578. An act for the relief of Carlton C. Grant and others;

H. R. 599. An act for the relief of Victor R. Browning & Co., Inc.;

H. R. 623. An act for the relief of Sadako Takagi;

H. R. 2737. An act to establish the Medal for Humane Action for award to persons serving in or with the armed forces of the United States participating in the current military effort to supply necessities of life to the people of Berlin, Germany; and

H. R. 3127. An act to authorize the admission into the United States of Jacob Gross, a minor.

H. J. Res. 287. Joint resolution extending section 1302 (a) of the Social Security Act, as amended, until June 30, 1950.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 11 minutes p. m.) the House adjourned until tomorrow, Thursday, July 14, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

767. Under clause 2 of rule XXIV, a letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "To stabilize farm income and farm prices of agricultural commodities at a fair level, and to provide an adequate, balanced, and orderly flow of agricultural commodities in interstate and foreign commerce," was taken from the Speaker's table, referred to the Committee on Agriculture, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MANSFIELD: Committee on Foreign Affairs. H. R. 5535. A bill to amend the Philippine Rehabilitation Act of 1946; without amendment (Rept. No. 1028). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. H. R. 5168. A bill to clarify the laws relating to the compensation of postmasters at fourth-class post offices which have been advanced because of unusual conditions; without amendment (Rept. No. 1029). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEE: Committee on Foreign Affairs. H. R. 5602. A bill to strengthen and en-

courage the democratic forces in China by authorizing the Secretary of State to provide for the relief of Chinese students in the United States; without amendment (Rept. No. 1039). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 282. Resolution for the consideration of H. R. 5208. A bill to promote the rehabilitation of the Navajo and Hopi Tribes of Indians and the better utilization of the resources of the Navajo and Hopi Indian Reservations, and for other purposes; without amendment (Rept. 1040). Referred to the House Calendar.

Mr. WILLIAMS: Committee on Post Office and Civil Service. S. 1459. An act to amend section 6 of the Civil Service Retirement Act of May 29, 1930, as amended; without amendment (Rept. No. 1041). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. S. 1323. An act to declare that the United States holds certain lands in trust for the Pueblo Indians and the Canoncito Navajo group in New Mexico, and for other purposes; with an amendment (Rept. No. 1042). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Public Lands. H. R. 5113. A bill to authorize the Secretary of the Interior to complete construction of the irrigation facilities and to contract with the water users on the Buffalo Rapids project, Montana, increasing the reimbursable construction cost obligation, and for other purposes; without amendment (Rept. No. 1043). Referred to the Committee of the Whole House on the State of the Union.

Mr. REDDEN: Committee on Public Lands. H. R. 5207. A bill to amend section 50 of the Organic Act of Puerto Rico; with an amendment (Rept. No. 1044). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 5365. A bill to provide for the transfer of the vessel *Black Mallard* to the State of Louisiana for the use and benefit of the department of wildlife and fisheries of such State; without amendment (Rept. No. 1045). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5232. A bill to amend the Road Act of May 26, 1928 (45 Stat. 750), authorizing appropriations for roads on Indian reservations; without amendment (Rept. No. 1046). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5372. A bill to authorize the negotiation, approval, and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes; with an amendment (Rept. No. 1047). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. S. 1330. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; without amendment (Rept. No. 1030). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 897. An act for the relief of William

Henry Tickner; without amendment (Rept. No. 1031). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1405. An act to provide for the admission to, and the permanent residence in, the United States of Poon Lim; without amendment (Rept. No. 1032). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1033. A bill for the relief of Mrs. Ethel Barrington MacDonald; without amendment (Rept. No. 1033). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H. R. 2928. A bill for the relief of Dr. Leon L. Konchegul; without amendment (Rept. No. 1034). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 3413. A bill for the relief of Alfred Baumgarts; without amendment (Rept. No. 1035). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 3837. A bill for the relief of Annie Balaz; with an amendment (Rept. No. 1036). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 5155. A bill for the relief of Francesca Lucareni, a minor; without amendment (Rept. No. 1037). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 5160. A bill for the relief of Mrs. Giustina Schiano Lomoriello; without amendment (Rept. No. 1038). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GORE:

H. R. 5617. A bill to authorize the Secretary of Agriculture to stabilize prices of agricultural commodities; to amend section 22 of the Agricultural Adjustment Act, reenacted by the Agricultural Marketing Agreement Act of 1937; and for other purposes; to the Committee on Agriculture.

By Mr. ANDREWS:

H. R. 5618. A bill to provide for the construction of post-office buildings in local communities where the residents purchase bonds in an amount sufficient to finance the construction cost, and for other purposes; to the Committee on Ways and Means.

By Mr. EVINS:

H. R. 5619. A bill to increase compensation for World War I presumptive service-connected cases, provide minimum ratings for service-connected arrested tuberculosis, increase certain disability and death compensation rates, liberalize requirement for dependency allowances, and redefine the terms "line of duty" and "willful misconduct"; to the Committee on Veterans' Affairs.

By Mr. FERNANDEZ:

H. R. 5620. A bill permitting the use for public purposes of certain land in Hot Spring, N. Mex.; to the Committee on Public Lands.

By Mr. FORAND:

H. R. 5621. A bill to increase individual income taxes above the first surtax bracket, to increase estate and gift taxes, to reduce or repeal certain taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. LYNCH:

H. R. 5622. A bill to amend section 1606 of the Internal Revenue Code and grant permission to States to cover under State unemployment-compensation laws persons operating vessels under general agency agreements with the United States Maritime Commission and employees of such operators; to the Committee on Ways and Means.

By Mr. SMITH of Wisconsin:

H. R. 5623. A bill to provide that Federal judges shall not be compelled to appear as character witnesses, or to appear as witnesses where the testimony could be obtained from other sources; to the Committee on the Judiciary.

By Mr. TALLE:

H. R. 5624. A bill to amend section 60 (a) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. CHIPERFIELD:

H. R. 5625. A bill to authorize and request the President to undertake to mobilize at some convenient place in the United States an adequate number of the world's outstanding experts, and coordinate and utilize their services in a supreme endeavor to discover means of curing and preventing cancer; to the Committee on Foreign Affairs.

By Mr. WHEELER:

H. R. 5626. A bill to clarify provisions of existing law relative to vocational training of veterans under Public Law 346, Seventy-eighth Congress; to the Committee on Veterans' Affairs.

By Mr. BARRETT of Pennsylvania:

H. R. 5627. A bill declaring May 1 of each year a legal holiday; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 5628. A bill to direct the Federal Works Administrator to convey certain land to the State of Rhode Island; to the Committee on Public Works.

By Mr. GRANT:

H. R. 5629. A bill to amend an act entitled "An act for the protection of the bald eagle," approved June 8, 1940; to the Committee on Merchant Marine and Fisheries.

By Mr. McDONOUGH:

H. R. 5630. A bill to provide for the return to the State of California of certain original documents and maps, known as the Spanish-Mexican land-grant papers, deposited in the National Archives; to the Committee on Post Office and Civil Service.

By Mr. SPENCE:

H. R. 5631. A bill to amend the National Housing Act, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. SHORT:

H. R. 5632. A bill to reorganize fiscal management in the National Military Establishment to promote economy and efficiency, and for other purposes; to the Committee on Armed Services.

By Mr. REED of New York:

H. R. 5633. A bill to grant authority to the Commissioner of Internal Revenue to eliminate the oath requirement on certain internal revenue tax returns; to the Committee on Ways and Means.

By Mr. DAWSON:

H. J. Res. 297. Joint resolution authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California relative to regulation of speedboats on Lake Tahoe; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California:

H. R. 5634. A bill for the relief of Anton (Antun) Karlo Marco Kocelj; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 5635. A bill for the relief of Calcagni & Belkin, Inc.; to the Committee on the Judiciary.

By Mr. KING:

H. R. 5636. A bill for the relief of Mrs. Blanche Mathews; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 5637. A bill to confer jurisdiction upon the Court of Claims to determine and render judgment for compensation to Franklin Hugh Ellison; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 5638. A bill to provide equitable relief to Bruce B. Blackburn, doing business as Lake View Dairy Farm, supplying dairy products to the Army and Veterans' Administration; to the Committee on the Judiciary.

By Mr. WITHROW:

H. R. 5639. A bill for the relief of Ivan E. Townsend; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1293. By Mr. NORBLAD: Petition of Mr. and Mrs. John Sharp, of Lafayette, Oreg., and 13 other citizens of Yamhill County, Oreg., urging passage of a bill to prohibit the transportation of alcoholic-beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1294. Also, petition of Cornelia May Fletcher, of Lafayette, Oreg., and 13 other citizens of Yamhill County, Oreg., urging passage of a bill to prohibit the transportation of alcoholic beverage advertising in interstate commerce and the broadcasting of alcoholic beverage advertising over the radio; to the Committee on Interstate and Foreign Commerce.

1295. By Mr. RICH: Petition of Eighth District Pennsylvania Dental Society in opposition to legislation which would enact a system of compulsory health insurance in the United States; to the Committee on Interstate and Foreign Commerce.

1296. By the SPEAKER: Petition of Outdoor Writers Association of America, Baltimore, Md., relative to highly commending the Hoover Commission Task Force on Natural Resources for its report; to the Committee on Expenditures in the Executive Departments.

1297. Also, petition of the American Legion, Department of Alabama, Montgomery, Ala., relative to extending the rights and privileges of veterans of World War II under title V of the Servicemen's Readjustment Act of 1944; to the Committee on Veterans' Affairs.

1298. Also, petition of National Aeronautic Association, Washington, D. C., relative to the relation of air power to national security; to the Committee on Armed Services.

1299. Also, petition of Order of the Sons of Italy in America, Philadelphia, Pa., requesting that the United States representatives in the United Nations be instructed to take the initiative in the admission of Italy in the United Nations; to the Committee on Foreign Affairs.

1300. Also, petition of the National Conference of Jewish Social Welfare, New York, N. Y., relative to stating its support to the President's civil-rights program; to the Committee on Education and Labor.

1301. Also, petition of Meda Mason and others, Aberdeen, S. Dak., requesting passage of H. R. 2135 and H. R. 2136, known as the Townsend plan; to the Committee on Ways and Means.